

104TH CONGRESS
1ST SESSION

H. R. 1157

To restore families, promote work, protect endangered children, increase personal responsibility, attack welfare dependency, reduce welfare fraud, and improve child support collections.

IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 1995

Mr. ARCHER introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Economic and Educational Opportunities, Commerce, the Judiciary, National Security, and Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To restore families, promote work, protect endangered children, increase personal responsibility, attack welfare dependency, reduce welfare fraud, and improve child support collections.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Welfare Trans-
5 formation Act of 1995”.

1 **SEC. 2. TABLE OF CONTENTS.**

2 The table of contents of this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

- Sec. 101. Block grants to States.
- Sec. 102. Report on data processing.
- Sec. 103. Transfers.
- Sec. 104. Conforming amendments to the Social Security Act.
- Sec. 105. Conforming amendments to other laws.
- Sec. 106. Continued application of current standards under medicaid program.
- Sec. 107. Effective date.

TITLE II—CHILD PROTECTION BLOCK GRANT PROGRAM

- Sec. 201. Establishment of program.
- Sec. 202. Conforming amendments.
- Sec. 203. Continued application of current standards under medicaid program.
- Sec. 204. Effective date.

TITLE III—RESTRICTING WELFARE FOR ALIENS

- Sec. 301. Statements of national policy concerning welfare and immigration.
- Sec. 302. Ineligibility of aliens for Federal public welfare assistance.
- Sec. 303. Ineligibility of illegal aliens for State and local public welfare assistance.
- Sec. 304. State authority to limit eligibility of other aliens for State and local public welfare assistance.
- Sec. 305. Attribution of sponsor's income and resources to family-sponsored immigrants.
- Sec. 306. Requirements for sponsor's affidavit of support.
- Sec. 307. Definitions.
- Sec. 308. State agencies required to provide information on illegal aliens to the Immigration and Naturalization Service.

TITLE IV—SUPPLEMENTAL SECURITY INCOME

- Sec. 401. Denial of supplemental security income benefits by reason of disability to drug addicts and alcoholics.
- Sec. 402. Supplemental security income benefits for disabled children.
- Sec. 403. Examination of mental listings used to determine eligibility of children for SSI benefits by reason of disability.
- Sec. 404. Limitation on payments to Puerto Rico, the Virgin Islands, and Guam under programs of aid to the aged, blind, or disabled.
- Sec. 405. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

TITLE V—CHILD SUPPORT

- Sec. 500. References.

Subtitle A—Case Registries, Eligibility for Services, and Distribution of Payments

- Sec. 501. Case registries; State obligation to provide child support enforcement services.
- Sec. 502. Distribution of child support collections.
- Sec. 503. Privacy safeguards.

Subtitle B—Locate and Case Tracking

- Sec. 511. State case registry.
- Sec. 512. Collection and disbursement of support payments.
- Sec. 513. State Directory of New Hires.
- Sec. 514. Amendments concerning income withholding.
- Sec. 515. Locator information from interstate networks.
- Sec. 516. Expanded Federal Parent Locator Service.
- Sec. 517. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

- Sec. 521. Adoption of uniform State laws.
- Sec. 522. Improvements to full faith and credit for child support orders.
- Sec. 523. Administrative enforcement in interstate cases.
- Sec. 524. Use of forms in interstate enforcement.
- Sec. 525. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

- Sec. 531. State laws concerning paternity establishment.
- Sec. 532. Outreach for voluntary paternity establishment.
- Sec. 533. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

- Sec. 541. Federal matching payments.
- Sec. 542. Performance-based incentives and penalties.
- Sec. 543. Federal and State reviews and audits.
- Sec. 544. Required reporting procedures.
- Sec. 545. Automated data processing requirements.
- Sec. 546. Technical assistance.
- Sec. 547. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

- Sec. 551. Simplified process for review and adjustment of child support orders.

Subtitle G—Enforcement of Support Orders

- Sec. 561. Federal income tax refund offset.
- Sec. 562. Authority to collect support from Federal employees.
- Sec. 563. Enforcement of child support obligations of members of the Armed Forces.
- Sec. 564. Voiding of fraudulent transfers.
- Sec. 565. Sense of the Congress that States should suspend drivers', business, and occupational licenses of persons owing past-due child support.
- Sec. 566. Work requirement for persons owing past-due child support.
- Sec. 567. Definition of support order.

Subtitle H—Medical Support

Sec. 571. Technical correction to ERISA definition of medical child support order.

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

Sec. 581. Grants to States for access and visitation programs.

Subtitle J—Effect of Enactment

Sec. 591. Effective dates.

1 **TITLE I—BLOCK GRANTS FOR**
2 **TEMPORARY ASSISTANCE**
3 **FOR NEEDY FAMILIES**

4 **SEC. 101. BLOCK GRANTS TO STATES.**

5 Title IV of the Social Security Act (42 U.S.C. 601
6 et seq.) is amended by striking part A, except sections
7 403(h) and 417, and inserting the following:

8 **“PART A—BLOCK GRANTS TO STATES FOR**
9 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

10 **“SEC. 401. PURPOSE.**

11 “The purpose of this part is to increase the flexibility
12 of States in operating a program designed to—

13 “(1) provide assistance to needy families so that
14 the children in such families may be cared for in
15 their homes or in the homes of relatives;

16 “(2) end the dependence of needy parents on
17 government benefits by promoting work and mar-
18 riage; and

19 “(3) discourage out-of-wedlock births.

1 **“SEC. 402. ELIGIBLE STATES; STATE PLAN.**

2 “(a) IN GENERAL.—As used in this part, the term
3 ‘eligible State’ means, with respect to a fiscal year, a State
4 that, during the 3-year period immediately preceding the
5 fiscal year, has submitted to the Secretary a plan that in-
6 cludes the following:

7 “(1) OUTLINE OF FAMILY ASSISTANCE PRO-
8 GRAM.—A written document that outlines how the
9 State intends to do the following:

10 “(A) Conduct a program designed to—

11 “(i) provide cash benefits to needy
12 families with children; and

13 “(ii) provide parents of children in
14 such families with work experience, assist-
15 ance in finding employment, and other
16 work preparation activities and support
17 services that the State considers appro-
18 priate to enable such families to leave the
19 program and become self-sufficient.

20 “(B) Require at least 1 parent of a child
21 in any family which has received benefits for
22 more than 24 months (whether or not consecu-
23 tive) under the program to engage in work ac-
24 tivities (as defined by the State).

1 “(C) Ensure that parents receiving assist-
2 ance under the program engage in work activi-
3 ties in accordance with section 404.

4 “(D) Treat interstate immigrants, if fami-
5 lies including such immigrants are to be treated
6 differently than other families.

7 “(E) Take such reasonable steps as the
8 State deems necessary to restrict the use and
9 disclosure of information about individuals and
10 families receiving benefits under the program.

11 “(F) Take actions to reduce the incidence
12 of out-of-wedlock births, which may include pro-
13 viding unmarried mothers and unmarried fa-
14 thers with services which will help them—

15 “(i) avoid subsequent pregnancies;
16 and

17 “(ii) provide adequate care to their
18 children.

19 “(G) Reduce teenage pregnancy, including
20 (at the option of the State) through the provi-
21 sion of education, counseling, and health serv-
22 ices to male and female teenagers.

23 “(2) CERTIFICATION THAT THE STATE WILL
24 OPERATE A CHILD SUPPORT ENFORCEMENT PRO-
25 GRAM.—A certification by the Governor of the State

1 that, during the fiscal year, the State will operate a
2 child support enforcement program under the State
3 plan approved under part D, in a manner that com-
4 plies with the requirements of such part.

5 “(3) CERTIFICATION THAT THE STATE WILL
6 OPERATE A CHILD PROTECTION PROGRAM.—A cer-
7 tification by the Governor of the State that, during
8 the fiscal year, the State will operate a child protec-
9 tion program in accordance with part B, which in-
10 cludes a foster care program and an adoption assist-
11 ance program.

12 “(b) DETERMINATIONS.—The Secretary shall deter-
13 mine whether a plan submitted pursuant to subsection (a)
14 contains the material required by subsection (a).

15 **“SEC. 403. PAYMENTS TO STATES.**

16 “(a) ENTITLEMENTS.—

17 “(1) GRANTS FOR FAMILY ASSISTANCE.—

18 “(A) IN GENERAL.—Each eligible State
19 shall be entitled to receive from the Secretary
20 for each fiscal year specified in subsection
21 (b)(1) a grant in an amount equal to the State
22 share of the family assistance amount for the
23 fiscal year.

24 “(B) GRANT INCREASED TO REWARD
25 STATES THAT REDUCE OUT-OF-WEDLOCK

1 BIRTHS.—The amount of the grant payable to
2 a State under subparagraph (A) for fiscal year
3 1998 or any succeeding fiscal year shall be in-
4 creased by—

5 “(i) 5 percent if the illegitimacy ratio
6 of the State for the fiscal year is at least
7 1 percentage point lower than the illegit-
8 imacy ratio of the State for fiscal year
9 1995; or

10 “(ii) 10 percent if the illegitimacy
11 ratio of the State for the fiscal year is at
12 least 2 percentage points lower than the il-
13 legitimacy ratio of the State for fiscal year
14 1995.

15 “(2) SUPPLEMENTAL GRANTS TO ADJUST FOR
16 POPULATION INCREASES.—In addition to any grant
17 under paragraph (1), each eligible State shall be en-
18 titled to receive from the Secretary for each of fiscal
19 years 1997, 1998, 1999, and 2000, a grant in an
20 amount equal to the State proportion of
21 \$100,000,000.

22 “(b) DEFINITIONS.—As used in this section:

23 “(1) FAMILY ASSISTANCE AMOUNT.—The term
24 ‘family assistance amount’ means \$15,355,000,000

1 for each of fiscal years 1996, 1997, 1998, 1999, and
2 2000.

3 “(2) STATE SHARE.—The term ‘State share’
4 means—

5 “(A) the amount paid to the State under
6 section 403 of this title (as in effect before Oc-
7 tober 1, 1995) for fiscal year 1994 (other than
8 with respect to amounts expended for child care
9 under subsection (g) or (i) of such section); di-
10 vided by

11 “(B) the total amount paid to all of the
12 States under such section for fiscal year 1994
13 (other than with respect to amounts expended
14 for such child care).

15 “(3) ILLEGITIMACY RATIO.—The term ‘illegit-
16 imacy ratio’ means, with respect to a State and a
17 fiscal year—

18 “(A) the sum of—

19 “(i) the number of out-of-wedlock
20 births that occurred in the State during
21 the most recent fiscal year for which such
22 information is available; and

23 “(ii) the amount (if any) by which the
24 number of abortions performed in the
25 State during the most recent fiscal year for

1 which such information is available exceeds
2 the number of abortions performed in the
3 State during the fiscal year that imme-
4 diately precedes such most recent fiscal
5 year; divided by

6 “(B) the number of births that occurred in
7 the State during the most recent fiscal year for
8 which such information is available.

9 “(4) STATE PROPORTION.—The term ‘State
10 proportion’ means, with respect to a fiscal year, the
11 amount that bears the same ratio to the amount
12 specified in subsection (a)(2) as the increase (if any)
13 in the population of the State for the most recent
14 fiscal year for which such information is available
15 over the population of the State for the fiscal year
16 that immediately precedes such most recent fiscal
17 year bears to the total increase in the population of
18 all States which have such an increase in population,
19 as determined by the Secretary using data from the
20 Bureau of the Census.

21 “(5) FISCAL YEAR.—The term ‘fiscal year’
22 means any 12-month period ending on September 30
23 of a calendar year.

24 “(6) STATE.—The term ‘State’ includes the
25 several States, the District of Columbia, the Com-

1 monwealth of Puerto Rico, the United States Virgin
2 Islands, Guam, and American Samoa.

3 “(c) USE OF GRANT.—

4 “(1) IN GENERAL.—A State to which a grant
5 is made under this section may use the grant in any
6 manner that is reasonably calculated to accomplish
7 the purpose of this part, subject to this part, includ-
8 ing to provide noncash assistance to mothers who
9 have not attained 18 years of age and their children
10 and to provide low income households with assist-
11 ance in meeting home heating and cooling costs.

12 “(2) AUTHORITY TO TREAT INTERSTATE IMMI-
13 GRANTS UNDER RULES OF FORMER STATE.—A State
14 to which a grant is made under this section may
15 apply to a family the rules of the program operated
16 under this part of another State if the family has
17 moved to the State from the other State and has re-
18 sided in the State for less than 12 months.

19 “(3) AUTHORITY TO USE PORTION OF GRANT
20 FOR OTHER PURPOSES.—

21 “(A) IN GENERAL.—A State may use not
22 more than 30 percent of the amount of the
23 grant made to the State under this section for
24 a fiscal year to carry out a State program pur-

1 suant to any or all of the following provisions
2 of law:

3 “(i) Part B of this title.

4 “(ii) Title XX of this Act.

5 “(iv) Any provision of law, enacted
6 into law during the 104th Congress, under
7 which grants are made to States for food
8 and nutrition.

9 “(iv) The Child Care and Develop-
10 ment Block Grant Act of 1990.

11 “(B) APPLICABLE RULES.—Any amount
12 paid to the State under this part that is used
13 to carry out a State program pursuant to a pro-
14 vision of law specified in subparagraph (A)
15 shall not be subject to the requirements of this
16 part, but shall be subject to the requirements
17 that apply to Federal funds provided directly
18 under the provision of law to carry out the pro-
19 gram.

20 “(4) AUTHORITY TO RESERVE CERTAIN
21 AMOUNTS FOR EMERGENCY BENEFITS.—

22 “(A) IN GENERAL.—A State may reserve
23 amounts paid to the State under this section
24 for any fiscal year for the purpose of providing

1 emergency assistance under the State program
2 operated under this part.

3 “(B) AUTHORITY TO USE EXCESS RE-
4 SERVES FOR ANY PURPOSE.—During a fiscal
5 year, a State may use for any purpose deemed
6 appropriate by the State amounts held in re-
7 serve under subparagraph (A) to the extent ex-
8 ceeding 120 percent of the amount of the grant
9 payable to the State under this section for the
10 fiscal year.

11 “(5) IMPLEMENTATION OF ELECTRONIC BENE-
12 FIT TRANSFER SYSTEM.—A State to which a grant
13 is made under this section is encouraged to imple-
14 ment an electronic benefit transfer system for pro-
15 viding assistance under the State program funded
16 under this part, and may use the grant for such pur-
17 pose.

18 “(d) TIMING OF PAYMENTS.—The Secretary shall
19 pay each grant payable to a State under this section in
20 quarterly installments.

21 “(e) PENALTIES.—

22 “(1) FOR USE OF GRANT IN VIOLATION OF
23 THIS PART.—

24 “(A) IN GENERAL.—If an audit conducted
25 pursuant to chapter 75 of title 31, United

1 States Code, finds that an amount paid to a
2 State under this section for a fiscal year has
3 been used in violation of this part, then the
4 Secretary shall reduce the amount of the grant
5 otherwise payable to the State under this sec-
6 tion for the immediately succeeding fiscal year
7 by the amount so used.

8 “(B) LIMITATION ON AMOUNT OF PEN-
9 ALTY.—In carrying out subparagraph (A), the
10 Secretary shall not reduce any quarterly pay-
11 ment by more than 25 percent.

12 “(C) CARRYFORWARD OF UNRECOVERED
13 PENALTIES.—To the extent that subparagraph
14 (B) prevents the Secretary from recovering dur-
15 ing a fiscal year the full amount of a penalty
16 imposed on a State under subparagraph (A) for
17 a prior fiscal year, the Secretary shall apply
18 subparagraph (A) to the grant otherwise pay-
19 able to the State under this section for the im-
20 mediately succeeding fiscal year.

21 “(2) FOR FAILURE TO SUBMIT REQUIRED RE-
22 PORT.—

23 “(A) IN GENERAL.—If the Secretary deter-
24 mines that a State has not, within 6 months
25 after the end of a fiscal year, submitted the re-

1 port required by section 406 for the fiscal year,
2 the Secretary shall reduce by 3 percent the
3 amount of the grant that would (in the absence
4 of this subsection, subsection (a)(1)(B) of this
5 section, and section 404(c)(2)) be payable to
6 the State under subsection (a)(1)(A) for the im-
7 mediately succeeding fiscal year.

8 “(B) RESCISSION OF PENALTY.—The Sec-
9 retary shall rescind a penalty imposed on a
10 State under subparagraph (A) with respect to a
11 report for a fiscal year if the State submits the
12 report before the end of the immediately suc-
13 ceeding fiscal year.

14 “(C) FOR FAILURE TO PARTICIPATE IN
15 THE INCOME AND ELIGIBILITY VERIFICATION
16 SYSTEM.—If the Secretary determines that a
17 State program funded under this part is not
18 participating during a fiscal year in the income
19 and eligibility verification system required by
20 section 1137, the Secretary shall reduce by 1
21 percent the amount of the grant that would (in
22 the absence of this subsection, subsection
23 (a)(1)(B) of this section, and section 404(c)(2))
24 be payable to the State under subsection
25 (a)(1)(A) for the fiscal year.

1 “(f) LIMITATION ON FEDERAL AUTHORITY.—The
2 Secretary may not regulate the conduct of States under
3 this part or enforce any provision of this part, except to
4 the extent expressly provided in this part.

5 “(g) FEDERAL RAINY DAY FUND.—

6 “(1) ESTABLISHMENT.—There is hereby estab-
7 lished in the Treasury of the United States a revolv-
8 ing loan fund which shall be known as the ‘Federal
9 Rainy Day Fund’.

10 “(2) DEPOSITS INTO FUND.—

11 “(A) APPROPRIATION.—Out of any money
12 in the Treasury of the United States not other-
13 wise appropriated, \$1,000,000,000 are hereby
14 appropriated for fiscal year 1996 for payment
15 to the Federal Rainy Day Fund.

16 “(B) LOAN REPAYMENTS.—The Secretary
17 shall deposit into the fund any principal or in-
18 terest payment received with respect to a loan
19 made under this subsection.

20 “(3) AVAILABILITY.—Amounts in the fund are
21 authorized to remain available without fiscal year
22 limitation for the purpose of making loans and re-
23 ceiving payments of principal and interest on such
24 loans, in accordance with this subsection.

25 “(4) USE OF FUND.—

1 “(A) LOANS TO QUALIFIED STATES.—

2 “(i) IN GENERAL.—The Secretary
3 shall make loans from the fund to any
4 qualified State for a period to maturity of
5 not more than 3 years.

6 “(ii) RATE OF INTEREST.—The Sec-
7 retary shall charge and collect interest on
8 any loan made under clause (i) at a rate
9 equal to the current average market yield
10 on outstanding marketable obligations of
11 the United States with remaining periods
12 to maturity comparable to the period to
13 maturity of the loan.

14 “(iii) MAXIMUM LOAN.—The amount
15 of any loan made to a State under clause
16 (i) during a fiscal year shall not exceed the
17 lesser of—

18 “(I) 50 percent of the amount of
19 the grant payable to the State under
20 this section for the fiscal year; or

21 “(II) \$100,000,000.

22 “(B) QUALIFIED STATE DEFINED.—A
23 State is a qualified State for purposes of sub-
24 paragraph (A) if the unemployment rate of the
25 State (as determined by the Bureau of Labor

1 Statistics) for the most recent 3-month period
2 for which such information is available is—

3 “(i) more than 6.5 percent; and

4 “(ii) at least 110 percent of such rate
5 for the corresponding 3-month period in ei-
6 ther of the 2 immediately preceding cal-
7 endar years.

8 **“SEC. 404. MANDATORY WORK REQUIREMENTS.**

9 “(a) PARTICIPATION RATE REQUIREMENTS.—

10 “(1) REQUIREMENT APPLICABLE TO 1-PARENT
11 FAMILIES RECEIVING ASSISTANCE.—

12 “(A) IN GENERAL.—A State to which a
13 grant is made under section 403 for a fiscal
14 year shall achieve the minimum participation
15 rate specified in the following table for the fis-
16 cal year with respect to 1-parent families receiv-
17 ing assistance under the State program funded
18 under this part:

“If the fiscal year is:	The minimum participation rate is:
1996	4
1997	4
1998	8
1999	12
2000	17
2001	29
2002	40
2003 or thereafter	50.

19 “(B) PRO RATA REDUCTION OF PARTICIPA-
20 TION RATE FOR CASELOAD REDUCTIONS.—The

1 minimum participation rate otherwise required
2 by subparagraph (A) for a fiscal year shall be
3 reduced by a percentage equal to the percentage
4 (if any) by which the number of families receiv-
5 ing assistance during the fiscal year under the
6 State program funded under this part is less
7 than the number of families that received aid
8 under the State plan approved under part A of
9 this title (as in effect before the effective date
10 of this part) during the fiscal year immediately
11 preceding such effective date.

12 “(C) PARTICIPATION RATE.—For purposes
13 of this paragraph:

14 “(i) AVERAGE MONTHLY RATE.—The
15 participation rate of a State for a fiscal
16 year is the average of the participation
17 rates of the State for each month in the
18 fiscal year.

19 “(ii) MONTHLY PARTICIPATION
20 RATES.—The participation rate of a State
21 for a month is—

22 “(I) the number of 1-parent fam-
23 ilies which receive cash assistance
24 under the State program funded
25 under this part and in which the par-

1 ent is engaged in work activities for
 2 the month; divided by

3 “(II) the total number of 1-par-
 4 ent families which receive cash assist-
 5 ance under the State program funded
 6 under this part during the month and
 7 in which the parent has attained 18
 8 years of age.

9 “(2) REQUIREMENT APPLICABLE TO 2-PARENT
 10 FAMILIES.—

11 “(A) IN GENERAL.—A State to which a
 12 grant is made under section 403 for a fiscal
 13 year shall achieve the minimum participation
 14 rate specified in the following table for the fis-
 15 cal year with respect to 2-parent families receiv-
 16 ing assistance under the State program funded
 17 under this part:

“If the fiscal year is:	The minimum participation rate is:
1996	50
1997	50
1998 or thereafter	90.

18 “(B) PARTICIPATION RATE.—For purposes
 19 of this paragraph:

20 “(i) AVERAGE MONTHLY RATE.—The
 21 participation rate of a State for a fiscal
 22 year is the average of the participation

1 rates of the State for each month in the
2 fiscal year.

3 “(ii) MONTHLY PARTICIPATION
4 RATES.—The participation rate of a State
5 for a month is—

6 “(I) the number of 2-parent fam-
7 ilies which receive cash assistance
8 under the State program funded
9 under this part and in which at least
10 1 parent is engaged in work activities
11 for the month; divided by

12 “(II) the total number of 2-par-
13 ent families receiving cash assistance
14 under the State program funded
15 under this part during the month.

16 “(b) DEFINITIONS.—As used in this section:

17 “(1) ENGAGE IN WORK ACTIVITIES.—The term
18 ‘engage in work activities’ means, with respect to
19 parent and a month, to make progress in work ac-
20 tivities for at least the minimum average number of
21 hours per week specified in the following table dur-
22 ing the month, not fewer than 20 hours per week of
23 which are attributable to an activity described in
24 subparagraph (A), (B), (C), or (D) of paragraph
25 (2):

“If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35.

1 “(2) WORK ACTIVITIES.—The term ‘work ac-
2 tivities’ means—

3 “(A) unsubsidized employment;

4 “(B) subsidized employment;

5 “(C) subsidized public sector employment
6 or work experience;

7 “(D) on-the-job training;

8 “(E) job search;

9 “(F) education and training directly relat-
10 ed to employment;

11 “(G) job skills training directly related to
12 employment; or

13 “(H) at the option of the State, satisfac-
14 tory attendance at secondary school, in the case
15 of a parent who has not completed secondary
16 school and who has not attained 20 years of
17 age.

18 “(3) FISCAL YEAR.—The term ‘fiscal year’
19 means any 12-month period ending on September 30
20 of a calendar year.

1 “(c) PENALTIES.—

2 “(1) AGAINST INDIVIDUALS.—

3 “(A) APPLICABLE TO 1-PARENT FAMI-
4 LIES.—A State to which a grant is made under
5 section 403 for a fiscal year shall ensure that
6 the amount of cash assistance paid under the
7 State program funded under this part to a re-
8 cipient of assistance under the program who is
9 the parent in a 1-parent family and who refuses
10 to engage in work activities required under this
11 section shall be less than the amount of cash
12 assistance that would otherwise be paid to the
13 recipient under the program, subject to such
14 good cause and other exceptions as the State
15 may establish.

16 “(B) APPLICABLE TO 2-PARENT FAMI-
17 LIES.—A State to which a grant is made under
18 section 403 for a fiscal year shall reduce the
19 amount of cash assistance otherwise payable to
20 a 2-parent family for a month under the State
21 program funded under this part with respect to
22 a parent in the family who is not engaged in
23 work activities required under this section, pro
24 rata (or more, at the option of the State) with

1 respect to any period during the month for
2 which the parent is not so engaged.

3 “(2) AGAINST STATES.—If the Secretary deter-
4 mines that a State to which a grant is made under
5 section 403 for a fiscal year has failed to comply
6 with subsection (a) of this section for the fiscal year,
7 the Secretary shall reduce by not more than 5 per-
8 cent the amount of the grant that would (in the ab-
9 sence of this paragraph and subsections (a)(1)(B)
10 and (e) of section 403) be payable to the State
11 under section 403(a)(1)(A) for the immediately suc-
12 ceeding fiscal year.

13 “(d) RULE OF INTERPRETATION.—This section shall
14 not be construed to prohibit a State from offering recipi-
15 ents of assistance under the State program funded under
16 this part an opportunity to participate in an education or
17 training program before requiring the recipients to work
18 or engage in a work program.

19 “(e) SENSE OF THE CONGRESS THAT STATES
20 SHOULD IMPOSE CERTAIN REQUIREMENTS ON
21 NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It
22 is the sense of the Congress that the States should require
23 noncustodial, nonsupporting parents who have not at-
24 tained 18 years of age to fulfill community work obliga-

1 tions and attend appropriate parenting or money manage-
2 ment classes after school.

3 “(f) RESEARCH.—The Secretary shall conduct re-
4 search on the costs and benefits of State activities under
5 this section.

6 “(g) EVALUATION OF INNOVATIVE APPROACHES TO
7 EMPLOYING RECIPIENTS OF ASSISTANCE.—The Sec-
8 retary shall evaluate innovative approaches to employing
9 recipients of assistance under State programs funded
10 under this part.

11 “(h) ANNUAL RANKING OF STATES AND REVIEW OF
12 MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

13 “(1) ANNUAL RANKING OF STATES.—The Sec-
14 retary shall rank the States to which grants are paid
15 under section 403 in the order of their success in
16 moving recipients of assistance under the State pro-
17 gram funded under this part into long-term private
18 sector jobs.

19 “(2) ANNUAL REVIEW OF MOST AND LEAST
20 SUCCESSFUL WORK PROGRAMS.—The Secretary shall
21 review the programs of the 3 States most recently
22 ranked highest under paragraph (1) and the 3
23 States most recently ranked lowest under paragraph
24 (1) that provide parents with work experience, as-
25 sistance in finding employment, and other work

1 preparation activities and support services to enable
2 the families of such parents to leave the program
3 and become self-sufficient.

4 **“SEC. 405. PROHIBITIONS.**

5 “(a) IN GENERAL.—

6 “(1) NO ASSISTANCE FOR FAMILIES WITHOUT A
7 MINOR CHILD.—A State to which a grant is made
8 under section 403 may not use any part of the grant
9 to provide assistance to a family, unless the family
10 includes a minor child.

11 “(2) CERTAIN PAYMENTS NOT TO BE DIS-
12 REGARDED IN DETERMINING THE AMOUNT OF AS-
13 SISTANCE TO BE PROVIDED TO A FAMILY.—

14 “(A) INCOME SECURITY PAYMENTS.—If a
15 State to which a grant is made under section
16 403 uses any part of the grant to provide as-
17 sistance for any individual who is receiving a
18 payment under a State plan for old-age assist-
19 ance approved under section 2, a State program
20 funded under part B that provides cash pay-
21 ments for foster care, or the supplemental secu-
22 rity income program under title XVI (other
23 than service benefits provided through the use
24 of a grant made under part C of such title),
25 then the State may not disregard the payment

1 in determining the amount of assistance to be
2 provided to the family of which the individual is
3 a member under the State program funded
4 under this part.

5 “(B) CERTAIN SUPPORT PAYMENTS.—A
6 State to which a grant is made under section
7 403 may not disregard an amount distributed
8 to a family under section 457(a)(1)(A) in deter-
9 mining the income of the family for purposes of
10 eligibility for assistance under the State pro-
11 gram funded under this part.

12 “(3) NO ASSISTANCE FOR CERTAIN ALIENS.—
13 Notwithstanding subsection (c)(1), a State to which
14 a grant is made under section 403 may not use any
15 part of the grant to provide assistance for an indi-
16 vidual who is not a citizen or national of the United
17 States, unless—

18 “(A)(i) the individual is admitted to the
19 United States as a refugee under section 207 of
20 the Immigration and Nationality Act; and

21 “(ii) 5 years has elapsed since the date the
22 individual arrived in the United States;

23 “(B) the individual—

24 “(i) is lawfully admitted to the United
25 States for permanent residence;

1 “(ii) has attained 75 years of age; and

2 “(iii) has resided in the United States

3 for at least 5 years; or

4 “(C) the individual is honorably discharged
5 from the Armed Forces of the United States.

6 “(4) NO ASSISTANCE FOR OUT-OF-WEDLOCK
7 BIRTHS TO MINORS.—

8 “(A) GENERAL RULE.—a State to which a
9 grant is made under section 403 may not use
10 any part of the grant to provide cash benefits
11 for a child born out-of-wedlock to an individual
12 who has not attained 18 years of age, or for the
13 individual, until the individual attains such age.

14 “(B) EXCEPTION FOR RAPE OR INCEST.—
15 Subparagraph (A) shall not apply with respect
16 to a child who is born as a result of rape or in-
17 cest.

18 “(5) NO ADDITIONAL ASSISTANCE FOR CHIL-
19 DREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

20 “(A) GENERAL RULE.—A State to which a
21 grant is made under section 403 may not use
22 any part of the grant to provide cash benefits
23 for a minor child who is born to—

24 “(i) a recipient of benefits under the
25 program operated under this part; or

1 “(ii) a person who received such bene-
2 fits at any time during the 10-month pe-
3 riod ending with the birth of the child.

4 “(B) EXCEPTION FOR RAPE OR INCEST.—
5 Subparagraph (A) shall not apply with respect
6 to a child who is born as a result of rape or
7 incest.

8 “(6) NO ASSISTANCE FOR MORE THAN 5
9 YEARS.—

10 “(A) IN GENERAL.—A State to which a
11 grant is made under section 403 may not use
12 any part of the grant to provide cash benefits
13 for the family of an individual who, after at-
14 taining 18 years of age, has received benefits
15 under the program operated under this part for
16 60 months (whether or not consecutive) after
17 the effective date of this part, except as pro-
18 vided under subparagraph (B).

19 “(B) HARDSHIP EXCEPTION.—

20 “(i) IN GENERAL.—The State may ex-
21 empt a family from the application of sub-
22 paragraph (A) by reason of hardship.

23 “(ii) LIMITATION.—The number of
24 families with respect to which an exemp-
25 tion made by a State under clause (i) is in

1 effect shall not exceed 10 percent of the
2 number of families to which the State is
3 providing assistance under the program op-
4 erated under this part.

5 “(7) NO ASSISTANCE FOR FAMILIES NOT CO-
6 OPERATING IN PATERNITY ESTABLISHMENT.—Not-
7 withstanding subsection (c)(1), a State to which a
8 grant is made under section 403 may not use any
9 part of the grant to provide assistance to a family
10 that includes an individual whom the agency respon-
11 sible for administering the State plan approved
12 under part D determines is not cooperating with the
13 State in establishing the paternity of any child of
14 the individual.

15 “(8) NO ASSISTANCE FOR FAMILIES NOT AS-
16 SIGNING SUPPORT RIGHTS TO THE STATE.—Not-
17 withstanding subsection (c)(1), a State to which a
18 grant is made under section 403 may not use any
19 part of the grant to provide assistance to a family
20 that includes an individual who has not assigned to
21 the State any rights the individual may have (on be-
22 half of the individual or of any other person for
23 whom the individual has applied for or is receiving
24 such assistance) to support from any other person

1 for any period for which the individual receives such
2 assistance.

3 “(9) WITHHOLDING OF PORTION OF ASSIST-
4 ANCE FOR FAMILIES WHICH INCLUDE A CHILD
5 WHOSE PATERNITY IS NOT ESTABLISHED.—

6 “(A) IN GENERAL.—A State to which a
7 grant is made under section 403 may not fail
8 to—

9 “(i) withhold assistance under the
10 State program funded under this part from
11 a family which includes a child whose pa-
12 ternity is not established, in an amount
13 equal to \$50 or 15 percent of the amount
14 of the assistance that would (in the ab-
15 sence of this paragraph) be provided to the
16 family with respect to the child, whichever
17 the State elects; or

18 “(ii) provide to the family the total
19 amount of assistance so withheld once the
20 paternity of the child is established, if the
21 family is then eligible for such assistance.

22 “(B) EXCEPTION FOR RAPE OR INCEST.—Sub-
23 paragraph (A) shall not apply with respect to a child
24 who is born as a result of rape or incest.

1 “(10) DENIAL OF ASSISTANCE FOR 10 YEARS
2 TO A PERSON CONVICTED OF FRAUDULENTLY MIS-
3 REPRESENTING RESIDENCE TO A WELFARE PRO-
4 GRAM.—A State to which a grant is made under sec-
5 tion 403 may not use any part of the grant to pro-
6 vide assistance to an individual during the 10-year
7 period that begins with the date the individual is
8 convicted in Federal or State court of making a
9 fraudulent statement or representation with respect
10 to the place of residence of the person in order to
11 receive benefits or services under 2 or more pro-
12 grams that are funded under this part.

13 “(b) MINOR CHILD DEFINED.—As used in sub-
14 section (a), the term ‘minor child’ means an individual—

15 “(1) who has not attained 18 years of age; or

16 “(2) who—

17 “(A) has not attained 19 years of age; and

18 “(B) is a full-time student in a secondary
19 school (or in the equivalent level of vocational
20 or technical training).

21 **“SEC. 406. DATA COLLECTION AND REPORTING.**

22 “(a) IN GENERAL.—Each State to which a grant is
23 made under section 403 for a fiscal year shall, not later
24 than 6 months after the end of the fiscal year, transmit
25 to the Secretary the following aggregate information on

1 families to which assistance was provided during the fiscal
2 year under the State program operated under this part:

3 “(1) The number of adults in the families.

4 “(2) The number of children in the families and
5 the average age of the children.

6 “(3) The basis of the eligibility of the families
7 for such assistance.

8 “(4) In the case of 2-parent families, the num-
9 ber with unemployed parents.

10 “(5) The number of 1-parent families in which
11 the parent is a widow or widower, is divorced, is sep-
12 arated, or has never married.

13 “(6) The age, race, educational attainment, and
14 employment status of the parents in the families.

15 “(7) The number of the families with earned in-
16 come, and the average monthly earnings of the fami-
17 lies.

18 “(8) The income of the families from the pro-
19 gram.

20 “(9) Whether, at the time of application for as-
21 sistance under the program, the families or any
22 member of the families receives benefits under any
23 of the following:

24 “(A) Any housing program.

1 “(B) The food stamp program under the
2 Food Stamp Act of 1977.

3 “(C) The Head Start programs carried out
4 under the Head Start Act.

5 “(D) Any job training program.

6 “(10) The number of months, since the most
7 recent application for assistance under the program,
8 for which such assistance has been provided to the
9 families.

10 “(11) The total number of months for which
11 assistance has been provided to the families under
12 the program.

13 “(12) Any other data necessary to indicate
14 whether the State is in compliance with the plan
15 most recently submitted by the State pursuant to
16 section 402.

17 “(b) AUTHORITY OF STATES TO USE ESTIMATES.—
18 A State may comply with the requirement to provide pre-
19 cise numerical information described in subsection (a) by
20 submitting an estimate which is obtained through the use
21 of scientifically acceptable sampling methods.

22 “(c) REPORT ON USE OF FEDERAL FUNDS TO
23 COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The
24 report required by subsection (a) for a fiscal year shall
25 include a statement of the percentage of the funds paid

1 to the State under this part for the fiscal year that are
2 used to cover administrative costs or overhead.

3 “(d) REPORT ON STATE EXPENDITURES ON PRO-
4 GRAMS FOR NEEDY FAMILIES.—The report required by
5 subsection (a) for a fiscal year shall include a statement
6 of the total amount expended by the State during the fis-
7 cal year on programs for needy families.

8 “(e) REPORT ON NONCUSTODIAL PARENTS PARTICI-
9 PATING IN WORK ACTIVITIES.—The report required by
10 subsection (a) for a fiscal year shall include the number
11 of noncustodial parents in the State who participated in
12 work activities (as defined in section 404(b)(1)) during the
13 fiscal year.

14 **“SEC. 407. STUDY BY THE CENSUS BUREAU.**

15 “(a) IN GENERAL.—The Bureau of the Census shall
16 expand the Survey of Income and Program Participation
17 as necessary to obtain such information as will enable in-
18 terested persons to evaluate the impact of the amendments
19 made by title I of the Welfare Transformation Act of 1995
20 on a random national sample of recipients of assistance
21 under State programs funded under this part and (as ap-
22 propriate) other low income families, and in doing so, shall
23 pay particular attention to the issues of out-of-wedlock
24 birth, welfare dependency, the beginning and end of wel-
25 fare spells, and the causes of repeat welfare spells.

1 “(b) APPROPRIATION.—Out of any money in the
2 Treasury of the United States not otherwise appropriated,
3 the Secretary of the Treasury shall pay to the Bureau of
4 the Census \$10,000,000 for each of fiscal years 1996,
5 1997, 1998, 1999, and 2000 to carry out subsection (a).”.

6 **SEC. 102. REPORT ON DATA PROCESSING.**

7 (a) IN GENERAL.—Within 6 months after the date
8 of the enactment of this Act, the Secretary of Health and
9 Human Services shall prepare and submit to the Congress
10 a report on—

11 (1) the status of the automated data processing
12 systems operated by the States to assist manage-
13 ment in the administration of State programs under
14 part A of title IV of the Social Security Act (wheth-
15 er in effect before or after October 1, 1995); and

16 (2) what would be required to establish a sys-
17 tem capable of—

18 (A) tracking participants in public pro-
19 grams over time; and

20 (B) checking case records of the States to
21 determine whether individuals are participating
22 in public programs of 2 or more States.

23 (b) PREFERRED CONTENTS.—The report required by
24 subsection (a) should include—

1 (1) a plan for building on the automated data
2 processing systems of the States to establish a sys-
3 tem with the capabilities described in subsection
4 (a)(2); and

5 (2) an estimate of the amount of time required
6 to establish such a system and of the cost of estab-
7 lishing such a system.

8 **SEC. 103. TRANSFERS.**

9 (a) CHILD SUPPORT REVIEW PENALTIES.—

10 (1) TRANSFER OF PROVISION.—Section 403 of
11 the Social Security Act, as added by the amendment
12 made by section 101 of this Act, is amended by add-
13 ing at the end subsection (h) of section 403, as in
14 effect immediately before the effective date of this
15 title.

16 (2) CONFORMING AMENDMENT.—Section
17 403(h)(3) of such Act, as in effect pursuant to para-
18 graph (1) of this subsection, is amended by striking
19 “, section 402(a)(27),”.

20 (b) ASSISTANT SECRETARY FOR FAMILY SUPPORT.—

21 (1) REDESIGNATION OF PROVISION.—Section
22 417 of such Act (42 U.S.C. 617), as in effect imme-
23 diately before the effective date of this title, is
24 amended by striking the following:

25 “ASSISTANT SECRETARY FOR FAMILY SUPPORT”

26 “SEC. 417.”

1 and inserting the following:

2 **“SEC. 408. ASSISTANT SECRETARY FOR FAMILY SUPPORT.”.**

3 (2) TRANSFER OF PROVISION.—Part A of title
4 IV of such Act, as added by the amendment made
5 by section 101 of this Act, is amended by adding at
6 the end the section amended by paragraph (1) of
7 this subsection.

8 (3) CONFORMING AMENDMENT.—Section 408
9 of such Act, as added by paragraph (2) of this sub-
10 section is amended by striking “, part D, and part
11 F” and inserting “and part D”.

12 **SEC. 104. CONFORMING AMENDMENTS TO THE SOCIAL**
13 **SECURITY ACT.**

14 (a) AMENDMENTS TO TITLE II.—

15 (1) Section 205(c)(2)(C)(vi) of the Social Secu-
16 rity Act (42 U.S.C. 405(c)(2)(C)(vi)), as so redesign-
17 nated by section 321(a)(9)(B) of the Social Security
18 Independence and Program Improvements Act of
19 1994, is amended—

20 (A) by inserting “an agency administering
21 a program funded under part A of title IV or”
22 before “an agency operating”; and

23 (B) by striking “A or D of title IV of this
24 Act” and inserting “D of such title”.

1 (2) Section 228(d)(1) of such Act (42 U.S.C.
2 428(d)(1)) is amended by inserting “under a State
3 program funded under” before “part A of title IV”.

4 (b) AMENDMENTS TO PART D OF TITLE IV.—

5 (1) Section 451 of such Act (42 U.S.C. 651) is
6 amended by striking “aid” and inserting “assistance
7 under a State program funded”.

8 (2) Section 452(a)(10)(C) of such Act (42
9 U.S.C. 652(a)(10)(C)) is amended—

10 (A) by striking “aid to families with de-
11 pendent children” and inserting “assistance
12 under a State program funded under part A”;

13 (B) by striking “such aid” and inserting
14 “such assistance”; and

15 (C) by striking “under section 402(a)(26)”
16 and inserting “pursuant to section 405(a)(8)”.

17 (3) Section 452(a)(10)(F) of such Act (42
18 U.S.C. 652(a)(10)(F)) is amended—

19 (A) by striking “aid under a State plan ap-
20 proved” and inserting “assistance under a State
21 program funded”; and

22 (B) by striking “in accordance with the
23 standards referred to in section
24 402(a)(26)(B)(ii)” and inserting “by the
25 State”.

1 (4) Section 452(a) of such Act (42 U.S.C.
2 652(a)) is amended in the last sentence by striking
3 “plan approved” and inserting “program funded”.

4 (5) Section 452(b) of such Act (42 U.S.C.
5 652(b)) is amended in the last sentence by striking
6 “plan approved under part A” and inserting “pro-
7 gram funded under part A”.

8 (6) Section 452(d)(3)(B)(i) of such Act (42
9 U.S.C. 652(d)(3)(B)(i)) is amended by striking
10 “1115(c)” and inserting “1115(b)”.

11 (7) Section 452(g)(2)(A)(ii)(I) of such Act (42
12 U.S.C. 652(g)(2)(A)(ii)(I)) is amended—

13 (A) by inserting “assistance is being pro-
14 vided under the State program funded under
15 part A or” before “aid”; and

16 (B) by striking “A or”.

17 (8) Section 452(g)(2)(A) of such Act (42
18 U.S.C. 652(g)(2)(A)) is amended in the matter fol-
19 lowing clause (iii) by striking “aid is being provided
20 under the State’s plan approved” and inserting “as-
21 sistance is being provided under the State program
22 funded”.

23 (9) Section 452(g)(2) of such Act (42 U.S.C.
24 652(g)(2)) is amended—

1 (A) by striking “who is a dependent child
2 by reason of the death of a parent” and insert-
3 ing “with respect to whom assistance is being
4 provided under the State program funded under
5 part A”;

6 (B) by inserting “by the State agency ad-
7 ministering the State plan approved under this
8 part” after “found”; and

9 (C) by striking “under section 402(a)(26)”
10 and inserting “pursuant to section 405(a)(8)”.

11 (10) Section 452(h) of such Act (42 U.S.C.
12 652(h)) is amended by striking “under section
13 402(a)(26)” and inserting “pursuant to section
14 405(a)(8)”.

15 (11) Section 454(5) of such Act (42 U.S.C.
16 654(5)) is amended—

17 (A) by striking “under section 402(a)(26)”
18 and inserting “pursuant to section 405(a)(8)”;
19 and

20 (B) by striking “except that this para-
21 graph shall not apply to such payments for any
22 month following the first month in which the
23 amount collected is sufficient to make such
24 family ineligible for assistance under the State
25 plan approved under part A;”.

1 (12) Section 454(6)(D) of such Act (42 U.S.C.
2 654(6)(D)) is amended by striking “aid under a
3 State plan approved” and inserting “assistance
4 under a State program funded”.

5 (13) Section 456 of such Act (42 U.S.C. 656)
6 is amended by striking “under section 402(a)(26)”
7 each place such term appears and inserting “pursu-
8 ant to section 405(a)(8)”.

9 (14) Section 464(a)(1) of such Act (42 U.S.C.
10 664(a)(1)) is amended by striking “402(a)(26)” and
11 inserting “405(a)(8)”.

12 (15) Section 466(a)(3)(B) of such Act (42
13 U.S.C. 666(a)(3)(B)) is amended by striking
14 “402(a)(26)” and inserting “405(a)(8)”.

15 (16) Section 466(a)(10)(B)(i) of such Act (42
16 U.S.C. 666(a)(10)(B)(i)) is amended by striking
17 “under section 402(a)(26)” and inserting “pursuant
18 to section 405(a)(8)”.

19 (17) Section 466(b)(2) of such Act (42 U.S.C.
20 666(b)(2)) is amended by striking “aid” and insert-
21 ing “assistance under a State program funded”.

22 (c) REPEAL OF PART F OF TITLE IV.—Part F of
23 title IV of such Act (42 U.S.C. 681–687) is hereby re-
24 pealed.

1 (d) AMENDMENT TO TITLE X.—Section 1002(a)(7)
2 of such Act (42 U.S.C. 1202(a)(7)) is amended by striking
3 “aid to families with dependent children under the State
4 plan approved under section 402 of this Act” and insert-
5 ing “assistance under a State program funded under part
6 A of title IV”.

7 (e) AMENDMENTS TO TITLE XI.—

8 (1) Section 1108 of such Act (42 U.S.C. 1308)
9 is amended—

10 (A) by striking subsections (a), (b), (d),
11 and (e); and

12 (B) by striking “(c)”.

13 (2) Section 1109 of such Act (42 U.S.C. 1309)
14 is amended by striking “or part A of title IV,”.

15 (3) Section 1115(a) of such Act (42 U.S.C.
16 1315(a)) is amended—

17 (A) in the matter preceding paragraph (1),
18 by striking “A or”;

19 (B) in paragraph (1), by striking “402,”;
20 and

21 (C) in paragraph (2), by striking “403,”.

22 (4) Section 1116 of such Act (42 U.S.C. 1316)
23 is amended—

24 (A) in each of subsections (a)(1), (d), and
25 (d), by striking “or part A of title IV,”; and

1 (B) in subsection (a)(3), by striking
2 “404,”;

3 (5) Section 1118 of such Act (42 U.S.C. 1318)
4 is amended—

5 (A) by striking “403(a),”;

6 (B) by striking “and part A of title IV,”;
7 and

8 (C) by striking “and shall, in the case of
9 American Samoa, mean 75 per centum with re-
10 spect to part A of title IV”.

11 (6) Section 1119 of such Act (42 U.S.C. 1319)
12 is amended—

13 (A) by striking “or part A of title IV”; and

14 (B) by striking “403(a)”.

15 (7) Section 1133(a) of such Act (42 U.S.C.
16 1320b-3(a)) is amended by striking “or part A of
17 title IV,”.

18 (8) Section 1136 of such Act (42 U.S.C.
19 1320b-6) is hereby repealed.

20 (9) Section 1137 of such Act (42 U.S.C.
21 1320b-7) is amended—

22 (A) in subsection (b), by striking para-
23 graph (1) and inserting the following:

24 “(1) any State program funded under part A of
25 title IV of this Act;” and

1 (B) in subsection (d)(2)—

2 (i) by striking “In this subsection—”
3 and all that follows through “(ii) in” and
4 inserting “In this subsection, in”;

5 (ii) by redesignating subclauses (I),
6 (II), and (III) as clauses (i), (ii), and (iii);
7 and

8 (iii) by moving such redesignated ma-
9 terial 2 ems to the left.

10 (g) AMENDMENT TO TITLE XIV.—Section
11 1402(a)(7) of such Act (42 U.S.C. 1352(a)(7)) is amend-
12 ed by striking “aid to families with dependent children
13 under the State plan approved under section 402 of this
14 Act” and inserting “assistance under a State program
15 funded under part A of title IV”.

16 (h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH
17 RESPECT TO THE TERRITORIES.—Section 1602(a)(11) of
18 such Act, as in effect without regard to the amendment
19 made by section 301 of the Social Security Amendments
20 of 1972, (42 U.S.C. 1382 note) is amended by striking
21 “aid under the State plan approved” and inserting “assist-
22 ance under a State program funded”.

23 (i) AMENDMENT TO TITLE XVI AS IN EFFECT WITH
24 RESPECT TO THE STATES.—Section 1611(c)(5)(A) of
25 such Act (42 U.S.C. 1382(c)(5)(A)) is amended to read

1 as follows: “(A) a State program funded under part A of
2 title IV,”.

3 **SEC. 105. CONFORMING AMENDMENTS TO OTHER LAWS.**

4 (a) Subsection (b) of section 508 of the Unemploy-
5 ment Compensation Amendments of 1976 (42 U.S.C.
6 603a) is amended to read as follows:

7 “(b) PROVISION FOR REIMBURSEMENT OF EX-
8 PENSES.—For purposes of section 455 of the Social Secu-
9 rity Act, expenses incurred to reimburse State employment
10 offices for furnishing information requested of such of-
11 fices—

12 “(1) pursuant to the third sentence of section
13 3(a) of the Act entitled ‘An Act to provide for the
14 establishment of a national employment system and
15 for cooperation with the States in the promotion of
16 such system, and for other purposes’, approved
17 June 6, 1933 (29 U.S.C. 49b(a)),

18 “(2) by a State or local agency charged with
19 the duty of carrying a State plan for child support
20 approved under part D of title IV of the Social Se-
21 curity Act,

22 shall be considered to constitute expenses incurred in the
23 administration of such State plan.”.

24 (b) Paragraph (9) of section 51(d) of the Internal
25 Revenue Code of 1986 is amended by striking all that fol-

1 lows “agency as” and inserting “being eligible for financial
2 assistance under part A of title IV of the Social Security
3 Act and as having continually received such financial as-
4 sistance during the 90-day period which immediately pre-
5 cedes the date on which such individual is hired by the
6 employer.”

7 (c) Section 9121 of the Omnibus Budget Reconcili-
8 ation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

9 (d) Section 9122 of the Omnibus Budget Reconcili-
10 ation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

11 (e) Section 221 of the Housing and Urban-Rural Re-
12 covery Act of 1983 (42 U.S.C. 602 note), relating to treat-
13 ment under AFDC of certain rental payments for federally
14 assisted housing, is hereby repealed.

15 (f) Section 159 of the Tax Equity and Fiscal Respon-
16 sibility Act of 1982 (42 U.S.C. 602 note) is hereby re-
17 pealed.

18 (g) Section 202(d) of the Social Security Amend-
19 ments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is here-
20 by repealed.

21 (h) Section 233 of the Social Security Act Amend-
22 ments of 1994 (42 U.S.C. 602 note) is hereby repealed.

23 (i) Section 903 of the Stewart B. McKinney Home-
24 less Assistance Amendments Act of 1988 (42 U.S.C.

1 11381 note), relating to demonstration projects to reduce
2 number of AFDC families in welfare hotels, is amended—

3 (1) in subsection (a), by striking “aid to fami-
4 lies with dependent children under a State plan ap-
5 proved” and inserting “assistance under a State pro-
6 gram funded”; and

7 (2) in subsection (c), by striking “aid to fami-
8 lies with dependent children in the State under a
9 State plan approved” and inserting “assistance in
10 the State under a State program funded”.

11 **SEC. 106. CONTINUED APPLICATION OF CURRENT STAND-**
12 **ARDS UNDER MEDICAID PROGRAM.**

13 (a) IN GENERAL.—Title XIX of the Social Security
14 Act is amended—

15 (1) in section 1931, by inserting “subject to
16 section 1931(a),” after “under this title,” and by re-
17 designating such section as section 1932; and

18 (2) by inserting after section 1930 the following
19 new section:

20 “CONTINUED APPLICATION OF AFDC STANDARDS

21 “SEC. 1931. (a) For purposes of applying this title
22 on and after October 1, 1995, with respect to a State—

23 “(1) except as provided in paragraph (2), any
24 reference in this title (or other provision of law in
25 relation to the operation of this title) to a provision
26 of part A of title IV of this Act, or a State plan

1 under such part, shall be considered a reference to
2 such provision or plan as in effect as of March 7,
3 1995, with respect to the State and eligibility for
4 medical assistance under this title shall be deter-
5 mined as if such provision or plan (as in effect as
6 of such date) had remained in effect on and after
7 October 1, 1995; and

8 “(2) any reference in section 1902(a)(5) or
9 1902(a)(55) to a State plan approved under part A
10 of title IV shall be deemed a reference to a State
11 program funded under such part (as in effect on and
12 after October 1, 1995).

13 “(b) In the case of a waiver of a provision of part
14 A of title IV in effect with respect to a State as of March
15 7, 1995, if the waiver affects eligibility of individuals for
16 medical assistance under this title, such waiver may con-
17 tinue to be applied, at the option of the State, in relation
18 to this title after the date the waiver would otherwise ex-
19 pire.”

20 (b) PLAN AMENDMENT.—Section 1902(a) of such
21 Act (42 U.S.C. 1396a(a)) is amended—

22 (1) by striking “and” at the end of paragraph
23 (61),

24 (2) by striking the period at the end of para-
25 graph (62) and inserting “; and”, and

1 (3) by inserting after paragraph (62) the fol-
2 lowing new paragraph:

3 “(63) provide for continuing to administer eligi-
4 bility standards with respect to individuals who are
5 (or seek to be) eligible for medical assistance based
6 on the application of section 1931.”.

7 (c) CONFORMING AMENDMENTS.—(1) Section
8 1902(c) of such Act (42 U.S.C. 1396a(c)) is amended by
9 striking “if—” and all that follows and inserting the fol-
10 lowing: “if the State requires individuals described in sub-
11 section (l)(1) to apply for assistance under the State pro-
12 gram funded under part A of title IV as a condition of
13 applying for or receiving medical assistance under this
14 title.”.

15 (2) Section 1903(i) of such Act (42 U.S.C. 1396b(i))
16 is amended by striking paragraph (9).

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to medical assistance furnished for
19 calendar quarters beginning on or after October 1, 1995.

20 **SEC. 107. EFFECTIVE DATE.**

21 (a) IN GENERAL.—Except as otherwise provided in
22 this title, this title and the amendments made by this title
23 shall take effect on October 1, 1995.

24 (b) DELAYED APPLICABILITY OF AUTHORITY TO
25 TEMPORARILY REDUCE ASSISTANCE FOR CERTAIN FAMI-

1 LIES WHICH INCLUDE A CHILD WHOSE PATERNITY IS
2 NOT ESTABLISHED.—Section 405(a)(9) of the Social Se-
3 curity Act, as added by the amendment made by section
4 101 of this Act, shall not apply to individuals who, imme-
5 diately before the effective date of this title, are recipients
6 of aid under a State plan approved under part A of title
7 IV of the Social Security Act, until the end of the 1-year
8 (or, at the option of the State, 2-year) period that begins
9 with such effective date.

10 (c) TRANSITION RULE.—The amendments made by
11 this title shall not apply with respect to—

12 (1) powers, duties, functions, rights, claims,
13 penalties, or obligations applicable to aid or services
14 provided before the effective date of this title under
15 the provisions amended; and

16 (2) administrative actions and proceedings com-
17 menced before such date, or authorized before such
18 date to be commenced, under such provisions.

19 **TITLE II—CHILD PROTECTION**
20 **BLOCK GRANT PROGRAM**

21 **SEC. 201. ESTABLISHMENT OF PROGRAM.**

22 Part B of title IV of the Social Security Act (42
23 U.S.C. 620–635) is amended to read as follows:

1 **“PART B—BLOCK GRANTS TO STATES FOR THE**
2 **PROTECTION OF CHILDREN**

3 **“SEC. 421. PURPOSE.**

4 “The purpose of this part is to enable eligible States
5 to carry out a child protection program to—

6 “(1) identify and assist families at risk of abus-
7 ing or neglecting their children;

8 “(2) operate a system for receiving reports of
9 abuse or neglect of children;

10 “(3) investigate families reported to abuse or
11 neglect their children;

12 “(4) provide support, treatment, and family
13 preservation services to families which are, or are at
14 risk of, abusing or neglecting their children;

15 “(5) support children who must be removed
16 from or who cannot live with their families;

17 “(6) make timely decisions about permanent liv-
18 ing arrangements for children who must be removed
19 from or who cannot live with their families; and

20 “(7) provide for continuing evaluation and im-
21 provement of child protection laws, regulations, and
22 services.

23 **“SEC. 422. ELIGIBLE STATES.**

24 “(a) IN GENERAL.—As used in this part, the term
25 ‘eligible State’ means, with respect to a fiscal year, a State
26 that, during the 3-year period immediately preceding the

1 fiscal year, has submitted to the Secretary a plan that in-
2 cludes the following:

3 “(1) OUTLINE OF CHILD PROTECTION PRO-
4 GRAM.—A written document that outlines the activi-
5 ties the State intends to conduct to achieve the pur-
6 pose of this part, including the procedures to be
7 used for—

8 “(A) receiving reports of child abuse or ne-
9 glect;

10 “(B) investigating such reports;

11 “(C) protecting children in families in
12 which child abuse or neglect is found to have
13 occurred;

14 “(D) removing children from dangerous
15 settings;

16 “(E) protecting children in foster care;

17 “(F) promoting timely adoptions;

18 “(G) protecting the rights of families;

19 “(H) preventing child abuse and neglect;

20 and

21 “(I) establishing and responding to citizen
22 review panels under section 425.

23 “(2) CERTIFICATION OF STATE LAW REQUIRING
24 THE REPORTING OF CHILD ABUSE AND NEGLECT.—
25 A certification that the State has in effect laws that

1 require public officials and other professionals to re-
2 port actual or suspected instances of child abuse or
3 neglect.

4 “(3) CERTIFICATION OF STATE PROGRAM TO
5 INVESTIGATE CHILD ABUSE AND NEGLECT CASES.—
6 A certification that the State has in effect a pro-
7 gram to investigate child abuse and neglect cases.

8 “(4) CERTIFICATION OF STATE PROCEDURES
9 FOR REMOVAL AND PLACEMENT OF ABUSED OR NE-
10 GLECTED CHILDREN.—A certification that the State
11 has in effect procedures for removal from families
12 and placement of abused or neglected children.

13 “(5) CERTIFICATION OF STATE PROCEDURES
14 FOR DEVELOPING AND REVIEWING WRITTEN PLANS
15 FOR PERMANENT PLACEMENT OF REMOVED CHIL-
16 DREN.—A certification that the State has in effect
17 procedures for ensuring that a written plan is pre-
18 pared for children who have been removed from their
19 families, which specifies the goal for achieving a per-
20 manent placement for the child in a timely fashion,
21 for ensuring that the written plan is reviewed every
22 6 months, and for ensuring that information about
23 such children is collected regularly and recorded in
24 case records, and a description of such procedures.

1 “(6) CERTIFICATION THAT THE STATE WILL
2 CONTINUE TO HONOR ADOPTION ASSISTANCE
3 AGREEMENTS.—A certification that the State will
4 honor any adoption assistance agreement (as defined
5 in section 475(3), as in effect immediately before the
6 effective date of this part) entered into by an agency
7 of the State, that is in effect as of such effective
8 date.

9 “(7) CERTIFICATION OF STATE PROGRAM TO
10 PROVIDE INDEPENDENT LIVING SERVICES.—A cer-
11 tification that the State has in effect a program to
12 provide independent living services to individuals in
13 the child protection program of the State who have
14 attained 16 years of age but have not attained 20
15 (or, at the option of the State, 22) years of age, and
16 who do not have a family to which to be returned
17 for assistance in making the transition to self-suffi-
18 cient adulthood.

19 “(8) IDENTIFICATION OF CHILD PROTECTION
20 GOALS.—The quantitative goals of the State child
21 protection program.

22 “(b) DETERMINATIONS.—The Secretary shall deter-
23 mine whether a plan submitted pursuant to subsection (a)
24 contains the material required by subsection (a). The Sec-
25 retary may not require a State to include in such a plan

1 any material not described in subsection (a), and may not
2 review the adequacy of State procedures.

3 **“SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.**

4 “(a) ENTITLEMENT.—

5 “(1) IN GENERAL.—Each eligible State shall be
6 entitled to receive from the Secretary for each fiscal
7 year specified in subsection (b)(1) a grant in an
8 amount equal to the State share of the child protec-
9 tion amount for the fiscal year.

10 “(2) ADDITIONAL GRANT.—

11 “(A) IN GENERAL.—In addition to a grant
12 under paragraph (1) of this subsection, the Sec-
13 retary shall pay to each eligible State for each
14 fiscal year specified in subsection (b)(1) an
15 amount equal to the State share of the amount
16 (if any) appropriated pursuant to subparagraph
17 (B) of this paragraph for the fiscal year.

18 “(B) LIMITATION ON AUTHORIZATION OF
19 APPROPRIATIONS.—For grants under subpara-
20 graph (A), there are authorized to be appro-
21 priated to the Secretary an amount not to ex-
22 ceed \$514,000,000 for each fiscal year specified
23 in subsection (b)(1).

24 “(b) DEFINITIONS.—As used in this section:

1 “(1) CHILD PROTECTION AMOUNT.—The term
2 ‘child protection grant amount’ means—

3 “(A) \$3,930,000,000 for fiscal year 1996;

4 “(B) \$4,195,000,000 for fiscal year 1997;

5 “(C) \$4,507,000,000 for fiscal year 1998;

6 “(D) \$4,767,000,000 for fiscal year 1999;

7 and

8 “(E) \$5,071,000,000 for fiscal year 2000.

9 “(2) STATE SHARE.—

10 “(A) IN GENERAL.—The term ‘State
11 share’ means the greater of—

12 “(i)(I) the total amount paid to the State
13 under the provisions of law specified in sub-
14 paragraph (B) for fiscal years 1991, 1992,
15 1993, and 1994; divided by

16 “(II) the total amount paid to all of the
17 States under such provisions of law for such fis-
18 cal years; or

19 “(ii)(I) the amount paid to the State under
20 the provisions of law specified in subparagraph
21 (B) for fiscal year 1994; divided by

22 “(II) the total amount paid to all of the
23 States under such provisions of law for fiscal
24 year 1994.

1 “(B) PROVISIONS OF LAW.—The provi-
2 sions of law specified in this subparagraph are
3 the following (as in effect immediately before
4 the effective date of this part):

5 “(i) Section 474(a) (other than sub-
6 paragraphs (C) and (D) of paragraph (3))
7 of this Act.

8 “(ii) Section 304 of the Family Vio-
9 lence Prevention and Services Act.

10 “(iii) Section 107(a) of the Child
11 Abuse Prevention and Treatment Act.

12 “(iv) Section 201(d) of the Child
13 Abuse Prevention and Treatment Act.

14 “(v) Section 423 of this Act.

15 “(3) STATE.—The term ‘State’ includes the
16 several States, the District of Columbia, the Com-
17 monwealth of Puerto Rico, the United States Virgin
18 Islands, Guam, and American Samoa.

19 “(c) USE OF GRANT.—

20 “(1) IN GENERAL.—A State to which a grant
21 is made under this section may use the grant in any
22 manner that the State deems appropriate to accom-
23 plish the purpose of this part, including setting up
24 abuse and neglect reporting systems, abuse and ne-

1 neglect prevention, family preservation, foster care,
2 adoption, program administration, and training.

3 “(2) TIMING OF EXPENDITURES.—A State to
4 which a grant is made under this section for a fiscal
5 year shall expend the total amount of the grant not
6 later than the end of the immediately succeeding fis-
7 cal year.

8 “(3) RULE OF INTERPRETATION.—This part
9 shall not be interpreted to prohibit short- and long-
10 term foster care facilities operated for profit from
11 receiving funds provided under this part.

12 “(d) TIMING OF PAYMENTS.—The Secretary shall
13 pay each eligible State the amount of the grant payable
14 to the State under this section in quarterly installments.

15 “(e) PENALTIES.—

16 “(1) FOR USE OF GRANT IN VIOLATION OF
17 THIS PART.—

18 “(A) IN GENERAL.—If an audit conducted
19 pursuant to chapter 75 of title 31, United
20 States Code, finds that an amount paid to a
21 State under this section for a fiscal year has
22 been used in violation of this part, then the
23 Secretary shall reduce the amount of the grant
24 that would (in the absence of this subsection)
25 be payable to the State under this section for

1 the immediately succeeding fiscal year by the
2 amount so used.

3 “(B) LIMITATION.—In carrying out sub-
4 paragraph (A), the Secretary shall not reduce
5 any quarterly payment by more than 25 per-
6 cent.

7 “(C) CARRYFORWARD OF UNRECOVERED
8 PENALTY.—To the extent that subparagraph
9 (B) prevents the Secretary from recovering dur-
10 ing a fiscal year the full amount of a penalty
11 imposed on a State under subparagraph (A) for
12 a prior fiscal year, the Secretary shall apply
13 subparagraph (A) to the grant otherwise pay-
14 able to the State under this section for the im-
15 mediately succeeding fiscal year.

16 “(2) FOR FAILURE TO MAINTAIN EFFORT.—If
17 an audit conducted pursuant to chapter 75 of title
18 31, United States Code, finds that the amount ex-
19 pended by a State (other than from amounts pro-
20 vided by the Federal Government) during fiscal year
21 1996 or 1997 to carry out the State program funded
22 under this part is less than the total amount ex-
23 pended by the State (other than from amounts pro-
24 vided by the Federal Government) during fiscal year
25 1995 under parts B and E of this title, then the

1 Secretary shall reduce the amount of the grant that
2 would (in the absence of this subsection) be payable
3 to the State under this section for the immediately
4 succeeding fiscal year by the amount of the dif-
5 ference.

6 “(3) FOR FAILURE TO SUBMIT REQUIRED RE-
7 PORT.—

8 “(A) IN GENERAL.—The Secretary shall
9 reduce by 3 percent the amount of the grant
10 that would (in the absence of this subsection)
11 be payable to a State under this section for a
12 fiscal year if the Secretary determines that the
13 State has not submitted the report required by
14 section 427(b) for the immediately preceding
15 fiscal year, within 6 months after the end of the
16 immediately preceding fiscal year.

17 “(B) RESCISSION OF PENALTY.—The Sec-
18 retary shall rescind a penalty imposed on a
19 State under subparagraph (A) with respect to a
20 report for a fiscal year if the State submits the
21 report before the end of the immediately suc-
22 ceeding fiscal year.

23 “(f) LIMITATION ON FEDERAL AUTHORITY.—Except
24 as expressly provided in this part, the Secretary may not

1 regulate the conduct of States under this part or enforce
2 any provision of this part.

3 **“SEC. 424. CHILD PROTECTION STANDARDS.**

4 “Each State to which a grant is made under section
5 423 shall operate a child protection program in accordance
6 with the following standards in order to assure the protec-
7 tion of children:

8 “(1) The primary standard by which a State
9 child welfare system shall be judged is the protection
10 of children.

11 “(2) Each State shall investigate reports of
12 abuse and neglect promptly.

13 “(3) Children removed from their homes shall
14 have a permanency plan and a dispositional hearing
15 by a court or a court-appointed body within 3
16 months after a fact-finding hearing.

17 “(4) All child protection cases in which the
18 child is placed outside the home shall be reviewed
19 every 6 months unless the child is in a long-term
20 placement.

21 **“SEC. 425. CITIZEN REVIEW PANELS.**

22 “(a) ESTABLISHMENT.—Each State to which a grant
23 is made under section 423 shall establish at least 3 citizen
24 review panels.

1 “(b) COMPOSITION.—Each panel established under
2 subsection (a) shall be broadly representative of the com-
3 munity from which drawn.

4 “(c) FREQUENCY OF MEETINGS.—Each panel estab-
5 lished under subsection (a) shall meet not less frequently
6 than quarterly.

7 “(d) DUTIES.—

8 “(1) IN GENERAL.—Each panel established
9 under subsection (a) shall, by examining specific
10 cases, determine the extent to which the State and
11 local agencies responsible for carrying out activities
12 under this part are doing so in accordance with the
13 State plan, with the child protection standards set
14 forth in section 424, and with any other criteria that
15 the panel considers important to ensure the protec-
16 tion of children.

17 “(2) CONFIDENTIALITY.—The members and
18 staff of any panel established under subsection (a)
19 shall not disclose to any person or government any
20 information about any specific child protection case
21 with respect to which the panel is provided informa-
22 tion.

23 “(e) STATE ASSISTANCE.—Each State that estab-
24 lishes a panel under subsection (a) shall afford the panel
25 access to any information on any case that the panel de-

1 sires to review, and shall provide the panel with staff as-
2 sistance in performing its duties.

3 “(f) REPORTS.—Each panel established under sub-
4 section (a) shall make a public report of its activities after
5 each meeting.

6 **“SEC. 426. CLEARINGHOUSE AND HOTLINE ON MISSING**
7 **AND RUNAWAY CHILDREN.**

8 “(a) IN GENERAL.—The Secretary shall establish
9 and operate a clearinghouse of information on children
10 who are missing or have run away from home, including
11 a 24-hour toll-free telephone hotline which may be con-
12 tacted for information on such children.

13 “(b) LIMITATION ON AUTHORIZATION OF APPRO-
14 PRIATIONS.—To carry out subsection (a), there are au-
15 thorized to be appropriated to the Secretary not to exceed
16 \$3,000,000 for each fiscal year.

17 **“SEC. 427. DATA COLLECTION AND REPORTING.**

18 “(a) ANNUAL REPORTS ON STATE CHILD WELFARE
19 GOALS.—On the date that is 3 years after the effective
20 date of this part and annually thereafter, each State to
21 which a grant is made under section 423 shall submit to
22 the Secretary a report that contains quantitative informa-
23 tion on the extent to which the State is making progress
24 toward achieving the goals of the State child protection
25 program.

1 “(b) ANNUAL STATE DATA REPORTS.—Each State
2 to which a grant is made under section 423 shall annually
3 submit to the Secretary of Health and Human Services
4 a report that includes the following:

5 “(1) The number of children who were reported
6 to the State during the year as abused or neglected.

7 “(2) Of the number of children described in
8 paragraph (1), the number with respect to whom
9 such reports were substantiated.

10 “(3) Of the number of children described in
11 paragraph (2)—

12 “(A) the number that did not receive serv-
13 ices during the year under the State program
14 funded under this part;

15 “(B) the number that received services
16 during the year under the State program fund-
17 ed under this part; and

18 “(C) the number that were removed from
19 their families during the year.

20 “(4) The number of families that received pre-
21 ventive services from the State during the year.

22 “(5) Of the number of families described in
23 paragraph (4), the number with respect to whom
24 there is a confirmed report of abuse or neglect of a
25 child.

1 “(6) The number of children who entered foster
2 care under the responsibility of the State during the
3 year.

4 “(7) The number of children in foster care
5 under the responsibility of the State who exited from
6 foster care during the year.

7 “(8) The types of foster care placements made
8 by the State during the year, and the number of
9 children in each type of placement.

10 “(9) The average length of the foster care
11 placements made by the State during the year.

12 “(10) The age, ethnicity, gender, and family in-
13 come of the children placed in foster care under the
14 responsibility of the State during the year.

15 “(11) The reasons for making foster care place-
16 ments during the year.

17 “(12) The number of children in foster care
18 under the responsibility of the State with respect to
19 whom the State has the goal of adoption.

20 “(13) The number of children in foster care
21 under the responsibility of the State who were freed
22 for adoption during the year.

23 “(14) The number of children in foster care
24 under the responsibility of the State whose adoptions
25 were finalized during the year.

1 “(15) The number of disrupted adoptions in the
2 State during the year.

3 “(16) The number of children who re-entered
4 foster care under the responsibility of the State dur-
5 ing the year.

6 “(17) The number of children in foster care
7 under the responsibility of the State for whom there
8 is a permanency plan.

9 “(18) Quantitative measurements showing
10 whether the State is making progress toward the
11 child protection goals identified by the State under
12 section 422(a)(8).

13 “(19) The number of infants abandoned in the
14 State during the year, and the number of such in-
15 fants who were legally adopted during the year and
16 the length of time between the discovery of the aban-
17 donment and such adoption.

18 “(20) The number of children who died during
19 the year while in foster care under the responsibility
20 of the State.

21 “(21) The number of deaths in the State dur-
22 ing the year resulting from child abuse or neglect.

23 “(22) The number of children served by the
24 independent living program of the State.

1 “(23) Any other information which the Sec-
2 retary and a majority of the States agree is appro-
3 priate to collect for purposes of this part.

4 “(24) The response of the State to the findings
5 and recommendations of the citizen review panels es-
6 tablished by the State pursuant to section 425.

7 “(c) AUTHORITY OF STATES TO USE ESTIMATES.—
8 A State may comply with a requirement to provide precise
9 numerical information described in subsection (b) by sub-
10 mitting an estimate which is obtained through the use of
11 scientifically acceptable sampling methods.

12 “(d) ANNUAL REPORT BY THE SECRETARY.—Within
13 6 months after the end of each fiscal year, the Secretary
14 shall prepare a report based on information provided by
15 the States for the fiscal year pursuant to subsection (b),
16 and shall make the report and such information available
17 to the Congress and the public.

18 **“SEC. 428. RESEARCH AND TRAINING.**

19 “(a) IN GENERAL.—The Secretary shall conduct re-
20 search and training in child welfare.

21 “(b) LIMITATION ON AUTHORIZATION OF APPRO-
22 PRIATIONS.—To carry out subsection (a), there are au-
23 thorized to be appropriated to the Secretary not to exceed
24 \$10,000,000 for each fiscal year.

1 **“SEC. 429. NATIONAL RANDOM SAMPLE STUDY OF CHILD**
2 **WELFARE.**

3 “(a) IN GENERAL.—The Secretary shall conduct a
4 national study based on random samples of children who
5 are at risk of child abuse or neglect, or are determined
6 by States to have been abused or neglected.

7 “(b) REQUIREMENTS.—The study required by sub-
8 section (a) shall—

9 “(1) have a longitudinal component; and

10 “(2) yield data reliable at the State level for as
11 many States as the Secretary determines is feasible.

12 “(c) PREFERRED CONTENTS.—In conducting the
13 study required by subsection (a), the Secretary should—

14 “(1) collect data on the child protection pro-
15 grams of different small States or (different groups
16 of such States) in different years to yield an occa-
17 sional picture of the child protection programs of
18 such States;

19 “(2) carefully consider selecting the sample
20 from cases of confirmed abuse or neglect; and

21 “(3) follow each case for several years while ob-
22 taining information on, among other things—

23 “(A) the type of abuse or neglect involved;

24 “(B) the frequency of contact with State
25 or local agencies;

1 “(C) whether the child involved has been
2 separated from the family, and, if so, under
3 what circumstances;

4 “(D) the number, type, and characteristics
5 of out-of-home placements of the child; and

6 “(E) the average duration of each place-
7 ment.

8 “(d) REPORTS.—

9 “(1) IN GENERAL.—From time to time, the
10 Secretary shall prepare reports summarizing the re-
11 sults of the study required by subsection (a), and
12 should include in such reports a comparison of the
13 results of the study with the information reported by
14 States under section 427.

15 “(2) AVAILABILITY.—The Secretary shall make
16 available to the public any report prepared under
17 paragraph (1), in writing or in the form of an elec-
18 tronic data tape.

19 “(3) AUTHORITY TO CHARGE FEE.—The Sec-
20 retary may charge and collect a fee for the furnish-
21 ing of reports under paragraph (2).

22 “(e) FUNDING.—Out of any money in the Treasury
23 of the United States not otherwise appropriated, the Sec-
24 retary of the Treasury shall pay to the Secretary of Health

1 and Human Services \$6,000,000 for each of fiscal years
2 1996 through 2000 to carry out this section.

3 **“SEC. 430. REMOVAL OF BARRIERS TO INTERETHNIC ADOPT-**
4 **TION.**

5 “(a) PURPOSE.—The purpose of this section is to de-
6 crease the length of time that children wait to be adopted
7 and to prevent discrimination in the placement of children
8 on the basis of race, color, or national origin.

9 “(b) MULTIETHNIC PLACEMENTS.—

10 “(1) PROHIBITION.—A State or other entity
11 that receives funds from the Federal Government
12 and is involved in adoption or foster care placements
13 may not—

14 “(A) deny to any person the opportunity to
15 become an adoptive or a foster parent, on the
16 basis of the race, color, or national origin of the
17 person, or of the child, involved; or

18 “(B) delay or deny the placement of a
19 child for adoption or into foster care, or other-
20 wise discriminate in making a placement deci-
21 sion, on the basis of the race, color, or national
22 origin of the adoptive or foster parent, or the
23 child, involved.

24 “(2) PENALTIES.—

1 “(A) STATE VIOLATORS.—A State that
 2 violates paragraph (1) during a period shall
 3 remit to the Secretary all funds that were paid
 4 to the State under this part during the period.

5 “(B) PRIVATE VIOLATORS.—Any other en-
 6 tity that violates paragraph (1) during a period
 7 shall remit to the Secretary all funds that were
 8 paid to the entity during the period by a State
 9 from funds provided under this part.

10 “(3) PRIVATE CAUSE OF ACTION.—

11 “(A) IN GENERAL.—Any individual who is
 12 aggrieved by a violation of paragraph (1) by a
 13 State or other entity may bring an action seek-
 14 ing relief in any United States district court.

15 “(B) STATUTE OF LIMITATIONS.—An ac-
 16 tion under this paragraph may not be brought
 17 more than 2 years after the date the alleged
 18 violation occurred.”.

19 **SEC. 202. CONFORMING AMENDMENTS.**

20 (a) AMENDMENTS TO PART D OF TITLE IV OF THE
 21 SOCIAL SECURITY ACT.—

22 (1) Section 452(a)(10)(C) of the Social Security
 23 Act (42 U.S.C. 652(a)(10)(C)), as amended by sec-
 24 tion 104(b)(2)(C) of this Act, is amended—

1 (A) by striking “(or foster care mainte-
2 nance payments under part E)” and inserting
3 “or cash payments under a State program
4 funded under part B”; and

5 (B) by striking “or 471(a)(17)”.

6 (2) Section 452(g)(2)(A) of such Act (42
7 U.S.C. 652(g)(2)(A)) is amended—

8 (A) by striking “E” each place such term
9 appears and inserting “B”; and

10 (B) by striking “plan under part E” and
11 inserting “State program funded under part
12 B”.

13 (3) Section 456(a)(1) of such Act (42 U.S.C.
14 656(a)(1)) is amended by striking “foster care main-
15 tenance payments” and inserting “benefits or serv-
16 ices under a State program funded under part B”.

17 (4) Section 464(a)(1) of such Act (42 U.S.C.
18 664(a)(1)), as amended by section 104(b)(14) of
19 this Act, is amended by striking “or section
20 471(a)(17)”.

21 (5) Section 466(a)(3)(B) of such Act (42
22 U.S.C. 666(a)(3)(B)), as amended by section
23 104(b)(15) of this Act, is amended by striking “or
24 471(a)(17)”.

1 (b) REPEAL OF PART E OF TITLE IV OF THE SOCIAL
2 SECURITY ACT.—Part E of title IV of such Act (42
3 U.S.C. 671–679) is hereby repealed.

4 (c) AMENDMENT TO TITLE XVI OF THE SOCIAL SE-
5 CURITY ACT AS IN EFFECT WITH RESPECT TO THE
6 STATES.—Section 1611(c)(5)(B) of such Act (42 U.S.C.
7 1382(c)(5)(B)) is amended to read as follows: “(B) the
8 State program funded under part B of title IV,”.

9 (d) REPEAL OF SECTION 13712 OF THE OMNIBUS
10 BUDGET RECONCILIATION ACT OF 1993.—Section 13712
11 of the Omnibus Budget Reconciliation Act of 1993 (42
12 U.S.C. 670 note) is hereby repealed.

13 (e) AMENDMENT TO SECTION 9442 OF THE OMNIBUS
14 BUDGET RECONCILIATION ACT OF 1986.—Section
15 9442(4) of the Omnibus Budget Reconciliation Act of
16 1986 (42 U.S.C. 679a(4)) is amended by inserting “(as
17 in effect before October 1, 1995)” after “Act”.

18 (f) REPEAL OF SECTION 553 OF THE HOWARD M.
19 METZENBAUM MULTIETHNIC PLACEMENT ACT OF
20 1994.—Section 553 of the Howard M. Metzenbaum
21 Multiethnic Placement Act of 1994 (42 U.S.C. 5115a; 108
22 Stat. 4056) is hereby repealed.

1 **SEC. 203. CONTINUED APPLICATION OF CURRENT STAND-**
2 **ARDS UNDER MEDICAID PROGRAM.**

3 Section 1931 of the Social Security Act, as inserted
4 by section 106(a)(2) of this Act, is amended—

5 (1) in subsection (a)(1)—

6 (A) by striking “part A of”, and

7 (B) by striking “under such part” and in-
8 serting “under a part of such title”; and

9 (2) in subsection (b), by striking “part A of”.

10 **SEC. 204. EFFECTIVE DATE.**

11 (a) IN GENERAL.—This title and the amendments
12 made by this title shall take effect on October 1, 1995.

13 (b) TRANSITION RULE.—The amendments made by
14 this title shall not apply with respect to—

15 (1) powers, duties, functions, rights, claims,
16 penalties, or obligations applicable to aid or services
17 provided before the effective date of this title under
18 the provisions amended; and

19 (2) administrative actions and proceedings com-
20 menced before such date, or authorized before such
21 date to be commenced, under such provisions.

TITLE III—RESTRICTING WELFARE FOR ALIENS

SEC. 301. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that aliens within the nation's borders not depend on public resources to meet their needs, but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations.

(3) Despite the principle of self-sufficiency, aliens have been applying for and receiving public benefits from Federal, State, and local governments at increasing rates.

(4) Current eligibility rules for public assistance and unenforceable support agreements have proved wholly incapable of assuring that individual aliens not burden the public benefits system.

1 (5) It is a compelling government interest to
2 enact new eligibility rules and sponsorship agree-
3 ments in order to assure that aliens be self-reliant
4 in accordance with national immigration policy.

5 **SEC. 302. INELIGIBILITY OF ALIENS FOR FEDERAL PUBLIC**
6 **WELFARE ASSISTANCE.**

7 (a) IN GENERAL.—Notwithstanding any other provi-
8 sion of law and except as provided in subsection (b), no
9 alien shall be eligible for any program referred to in sub-
10 section (c).

11 (b) EXCEPTIONS.—

12 (1) REFUGEE EXCEPTION.—Subsection (a)
13 shall not apply to an alien admitted to the United
14 States as a refugee under section 207 of the Immi-
15 gration and Nationality Act until 5 years after the
16 date of such alien's arrival into the United States.

17 (2) AGED EXCEPTION.—Subsection (a) shall
18 not apply to an alien who—

19 (A) has been lawfully admitted to the
20 United States for permanent residence;

21 (B) is over 75 years of age; and

22 (C) has resided in the United States for at
23 least 5 years.

24 (3) VETERAN EXCEPTION.—Subsection (a) shall
25 not apply to an alien who is a veteran (as defined

1 in section 101 of title 38, United States Code) with
2 a discharge characterized as an honorable discharge
3 and who is lawfully residing in any State or any ter-
4 ritory or possession of the United States.

5 (4) CURRENT LEGAL RESIDENT EXCEPTION.—
6 Subsection (a) shall not apply to the eligibility of an
7 alien for a program referred to in subsection (c)
8 until 1 year after the date of the enactment of this
9 Act if, on such date of enactment, the alien is law-
10 fully residing in any State or any territory or posses-
11 sion of the United States and is eligible for the pro-
12 gram.

13 (c) PROGRAMS FOR WHICH ALIENS ARE INELI-
14 GIBLE.—The programs referred to in this subsection are
15 the following:

16 (1) SSI.—The supplemental security income
17 program under title XVI of the Social Security Act.

18 (2) TEMPORARY ASSISTANCE FOR NEEDY FAMI-
19 LIES.—The program of block grants to States for
20 temporary assistance for needy families under part
21 A of title IV of the Social Security Act.

22 (3) SOCIAL SERVICES BLOCK GRANT.—The pro-
23 gram of block grants to States for social services
24 under title XX of the Social Security Act.

1 (d) NOTIFICATION.—Each Federal agency that ad-
2 ministers a program referred to in subsection (c) shall,
3 directly or through the States, post information and pro-
4 vide general notification to the public and program recipi-
5 ents of the changes regarding eligibility for any such pro-
6 gram pursuant to this section.

7 **SEC. 303. INELIGIBILITY OF ILLEGAL ALIENS FOR STATE**
8 **AND LOCAL PUBLIC WELFARE ASSISTANCE.**

9 (a) IN GENERAL.—Notwithstanding any other provi-
10 sion of law and except as otherwise provided in this sec-
11 tion, no alien who is not lawfully present in the United
12 States (as determined in accordance with regulations of
13 the Attorney General) shall be eligible for any State
14 means-tested public assistance program (as defined in sec-
15 tion 307(c)). An individual shall not be considered to be
16 lawfully present in the United States for purposes of this
17 title merely because the alien may be considered to be per-
18 manently residing in the United States under color of law.

19 (b) GENERAL EXCEPTION FOR CERTAIN EMERGENCY
20 AND PUBLIC HEALTH PROGRAMS.—The limitations under
21 subsection (a) shall not apply to—

22 (1) the provision of emergency medical services,
23 or

1 (2) public health assistance for immunizations
2 with respect to immunizable diseases and for testing
3 and treatment for communicable diseases.

4 (c) CONSTRUCTION.—Nothing in this section shall be
5 construed as addressing alien eligibility for State and local
6 governmental programs that are not State means-tested
7 public assistance programs.

8 **SEC. 304. STATE AUTHORITY TO LIMIT ELIGIBILITY OF**
9 **OTHER ALIENS FOR STATE AND LOCAL PUB-**
10 **LIC WELFARE ASSISTANCE.**

11 (a) IN GENERAL.—Notwithstanding any other provi-
12 sion of law and except as otherwise provided in this sec-
13 tion, a State is authorized to determine eligibility require-
14 ments for aliens who are lawfully present in the United
15 States and who are not described in paragraph (1), (2),
16 or (3) of section 302(b) for any State means-tested public
17 assistance program.

18 (b) GENERAL EXCEPTION FOR CERTAIN EMERGENCY
19 AND PUBLIC HEALTH PROGRAMS.—The limitations under
20 subsection (a) shall not apply to—

21 (1) the provision of emergency medical services,
22 or

23 (2) public health assistance for immunizations
24 with respect to immunizable diseases and for testing
25 and treatment for communicable diseases.

1 (c) TRANSITION.—The limitations of subsection (a)
2 shall not apply to eligibility of an alien for a State means-
3 tested public assistance program until 1 year after the
4 date of the enactment of this Act if, on such date of enact-
5 ment, the alien is residing in the United States and is
6 eligible for benefits under the program. Nothing in the
7 previous sentence is intended to address alien eligibility
8 for such a program before the date of the enactment of
9 this Act.

10 (d) CONSTRUCTION.—Nothing in this section shall be
11 construed as addressing alien eligibility for State and local
12 governmental programs that are not State means-tested
13 public assistance programs.

14 **SEC. 305. ATTRIBUTION OF SPONSOR'S INCOME AND RE-**
15 **SOURCES TO FAMILY-SPONSORED IMMI-**
16 **GRANTS.**

17 (a) IN GENERAL.—Notwithstanding any other provi-
18 sion of law, in determining the eligibility and the amount
19 of benefits of an alien for any means-tested public assist-
20 ance program (as defined in section 307(c)), the income
21 and resources of the alien shall be deemed to include—

22 (1) the income and resources of any person who
23 executed an affidavit of support pursuant to section
24 306 in behalf of such alien, and

8 **SEC. 306. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF**
9 **SUPPORT.**

(1) which is legally enforceable against the sponsor by the Federal Government and by any State (or any political subdivision of such State) which provides any means-tested public assistance program, but not later than 10 years after the alien last receives any such benefit; and

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1 Such contract shall be enforceable with respect to benefits
2 provided to the alien until such time as the alien achieves
3 United States citizenship through naturalization pursuant
4 to chapter 2 of title III of the Immigration and National-
5 ity Act.

6 (b) FORMS.—Not later than ninety days after the
7 date of enactment of this Act, the Attorney General, in
8 consultation with the Secretary of State and the Secretary
9 of Health and Human Services, shall formulate an affida-
10 vit of support consistent with the provisions of this sec-
11 tion.

12 (c) STATUTORY CONSTRUCTION.—Nothing in this
13 section shall be construed to grant third party beneficiary
14 rights to any sponsored alien under an affidavit of sup-
15 port.

16 (d) NOTIFICATION OF CHANGE OF ADDRESS.—(1)
17 The sponsor shall notify the Federal Government and the
18 State in which the sponsored alien is currently resident
19 within thirty days of any change of address of the sponsor
20 during the period specified in subsection (a)(1).

21 (2) Any person subject to the requirement of para-
22 graph (1) who fails to satisfy such requirement shall be
23 subject to a civil penalty of—

24 (A) not less than \$250 or more than \$2,000, or

1 (B) if such failure occurs with knowledge that
2 the sponsored alien has received any benefit under
3 any means-tested public assistance program of the
4 Federal Government or of any State or political sub-
5 division of a State, not less than \$2,000 or more
6 than \$5,000.

7 (e) REIMBURSEMENT OF GOVERNMENT EX-
8 PENSES.—(1)(A) Upon notification that a sponsored alien
9 has received any benefit under any means-tested public as-
10 sistance program of the Federal Government or of any
11 State or political subdivision of a State, the appropriate
12 Federal, State, or local official shall request reimburse-
13 ment by the sponsor in the amount of such assistance.

14 (B) The Attorney General, in consultation with the
15 Secretary of Health and Human Services, shall prescribe
16 such regulations as may be necessary to carry out sub-
17 paragraph (A).

18 (2) If within forty-five days after requesting reim-
19 bursement, the appropriate Federal, State, or local agency
20 has not received a response from the sponsor indicating
21 a willingness to commence payments, an action may be
22 brought against the sponsor pursuant to the affidavit of
23 support.

24 (3) If the sponsor fails to abide by the repayment
25 terms established by such agency, the agency may, within

1 sixty days of such failure, bring an action against the
2 sponsor pursuant to the affidavit of support.

3 (4) No cause of action may be brought under this
4 subsection later than ten years after the alien last received
5 any benefit under any means-tested public assistance pro-
6 gram of the Federal Government or of any State or politi-
7 cal subdivision of a State.

8 (f) JURISDICTION.—For purposes of this section, no
9 State court shall decline for lack of jurisdiction to hear
10 any action brought against a sponsor for reimbursement
11 of the cost of any benefit under any means-tested public
12 assistance program of the Federal Government or of any
13 State or political subdivision of a State if the sponsored
14 alien received public assistance while residing in the State.

15 (g) SPONSOR DEFINED.—For the purposes of this
16 section, the term “sponsor” means an individual who—

17 (1) is a citizen or national of the United States
18 or an alien who is lawfully admitted to the United
19 States for permanent residence,

20 (2) is 18 years of age or over, and

21 (3) is domiciled in any State.

22 (h) EFFECTIVE DATE.—Subsection (a) shall apply to
23 affidavits of support executed on or after a date specified
24 by the Attorney General, which date shall be not earlier
25 than 60 days and not later than 90 days after the date

1 the Attorney General formulates the form for such affida-
2 vits under subsection (b).

3 **SEC. 307. DEFINITIONS.**

4 (a) IN GENERAL.—Except as otherwise provided in
5 this section, the terms used in this title have the same
6 meaning given such terms in section 101(a) of the Immi-
7 gration and Nationality Act.

8 (b) STATE.—As used in this title, the term “State”
9 includes the District of Columbia, Puerto Rico, the Virgin
10 Islands, Guam, the Northern Mariana Islands, and Amer-
11 ican Samoa.

12 (c) MEANS-TESTED PUBLIC ASSISTANCE PRO-
13 GRAMS.—As used in this title:

14 (1) IN GENERAL.—The term “means-tested
15 public assistance program” means a program of
16 public assistance (including cash, medical, housing,
17 and food assistance) of the Federal Government or
18 of a State or political subdivision of a State in which
19 the eligibility for benefits under the program, or the
20 amount of such benefits, or both are determined on
21 the basis of income or financial need.

22 (2) FEDERAL MEANS-TESTED PUBLIC ASSIST-
23 ANCE PROGRAM.—The term “Federal means-tested
24 public assistance program” means a program re-
25 ferred to in section 302(c) or a means-tested public

1 assistance program of (or contributed to by) the
2 Federal Government.

3 (3) STATE MEANS-TESTED PUBLIC ASSISTANCE
4 PROGRAM.—The term “State means-tested public
5 assistance program” means a means-tested public
6 assistance program of a State or political subdivision
7 of a State, and does not include a program referred
8 to in section 302(c) or another Federal means-tested
9 public assistance program.

10 **SEC. 308. STATE AGENCIES REQUIRED TO PROVIDE INFOR-**
11 **MATION ON ILLEGAL ALIENS TO THE IMMI-**
12 **GRATION AND NATURALIZATION SERVICE.**

13 Each agency that administers the State program
14 under part A of title IV of the Social Security Act shall
15 provide the Immigration and Naturalization Service with
16 the name, address, and other identifying information that
17 the agency has with respect to any individual unlawfully
18 in the United States any of whose children is a citizen
19 or national of the United States.

1 **TITLE IV—SUPPLEMENTAL**
2 **SECURITY INCOME**

3 **SEC. 401. DENIAL OF SUPPLEMENTAL SECURITY INCOME**
4 **BENEFITS BY REASON OF DISABILITY TO**
5 **DRUG ADDICTS AND ALCOHOLICS.**

6 (a) IN GENERAL.—Section 1614(a)(3) of the Social
7 Security Act (42 U.S.C. 1382c(a)(3)) is amended by add-
8 ing at the end the following:

9 “(I) Notwithstanding subparagraph (A), an individ-
10 ual shall not be considered to be disabled for purposes of
11 this title if alcoholism or drug addiction would (but for
12 this subparagraph) be a contributing factor material to
13 the Commissioner’s determination that the individual is
14 disabled.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 1611(e) of such Act (42 U.S.C.
17 1382(e)) is amended by striking paragraph (3).

18 (2) Section 1631(a)(2)(A)(ii) of such Act (42
19 U.S.C. 1383(a)(2)(A)(ii)) is amended—

20 (A) by striking “(I)”;

21 (B) by striking subclause (II).

22 (3) Section 1631(a)(2)(B) of such Act (42
23 U.S.C. 1383(a)(2)(B)) is amended—

24 (A) by striking clause (vii);

1 (B) in clause (viii), by striking “(ix)” and
2 inserting “(viii)”;

3 (C) in clause (ix)—

4 (i) by striking “(viii)” and inserting
5 “(vii)”;

6 (ii) in subclause (II), by striking all
7 that follows “15 years” and inserting a pe-
8 riod;

9 (D) in clause (xiii)—

10 (i) by striking “(xii)” and inserting
11 “(xi)”;

12 (ii) by striking “(xi)” and inserting
13 “(x)”;

14 (E) by redesignating clauses (viii) through
15 (xiii) as clauses (vii) through (xii), respectively.

16 (4) Section 1631(a)(2)(D)(i)(II) of such Act
17 (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by
18 striking all that follows “\$25.00 per month” and in-
19 serting a period.

20 (5) Section 1634 of such Act (42 U.S.C. 1383c)
21 is amended by striking subsection (e).

22 (6) Section 201(c)(1) of the Social Security
23 Independence and Program Improvements Act of
24 1994 (42 U.S.C. 425 note) is amended—

1 (A) by striking “—” and all that follows
2 through “(A)” the 1st place such term appears;

3 (B) by striking “and” the 3rd place such
4 term appears;

5 (C) by striking subparagraph (B);

6 (D) by striking “either subparagraph (A)
7 or subparagraph (B)” and inserting “the pre-
8 ceding sentence”; and

9 (E) by striking “subparagraph (A) or (B)”
10 and inserting “the preceding sentence”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall take effect on October 1, 1995, and shall
13 apply with respect to months beginning on or after such
14 date.

15 (d) FUNDING OF CERTAIN PROGRAMS FOR DRUG
16 ADDICTS AND ALCOHOLICS.—Out of any money in the
17 Treasury of the United States not otherwise appropriated,
18 the Secretary of the Treasury shall pay to the Director
19 of the National Institute on Drug Abuse—

20 (1) \$95,000,000, for each of fiscal years 1997,
21 1998, 1999, and 2000, for expenditure through the
22 Federal Capacity Expansion Program to expand the
23 availability of drug treatment; and

24 (2) \$5,000,000 for each of fiscal years 1997,
25 1998, 1999, and 2000 to be expended solely on the

1 medication development project to improve drug
2 abuse and drug treatment research.

3 **SEC. 402. SUPPLEMENTAL SECURITY INCOME BENEFITS**
4 **FOR DISABLED CHILDREN.**

5 (a) RESTRICTIONS ON ELIGIBILITY FOR CASH BENE-
6 FITS.—

7 (1) IN GENERAL.—Section 1614(a)(3)(A) of the
8 Social Security Act (42 U.S.C. 1382c(a)(3)(A)) is
9 amended—

10 (A) by inserting “(i)” after “(3)(A)”;

11 (B) by inserting “who has attained 18
12 years of age” before “shall be considered”;

13 (C) by striking “he” and inserting “the in-
14 dividual”;

15 (D) by striking “(or, in the case of an indi-
16 vidual under the age of 18, if he suffers from
17 any medically determinable physical or mental
18 impairment of comparable severity)”; and

19 (E) by adding after and below the end the
20 following:

21 “(ii) An individual who has not attained 18 years of
22 age shall be considered to be disabled for purposes of this
23 title for a month if—

24 “(I) the individual—

1 “(aa) is eligible for cash benefits under
2 this title by reason of disability for the month
3 before the first month for which this clause is
4 in effect and meets all non-disability-related re-
5 quirements for eligibility for cash benefits under
6 this title; and

7 “(bb) the individual has any medically de-
8 terminable physical or mental impairment (or
9 combination of impairments) that meets the re-
10 quirements, applicable to individuals who have
11 not attained 18 years of age, of the Listings of
12 Impairments set forth in appendix 1 of subpart
13 P of part 404 of title 20, Code of Federal Reg-
14 ulations (revised as of April 1, 1994), or that
15 is equivalent in severity to such an impairment
16 (or such a combination of impairments); or

17 “(II) the individual—

18 “(aa) is not described in subclause (I)(aa);
19 and

20 “(bb) has an impairment (or combination
21 of impairments) described in subclause (I)(bb)
22 as a result of which the individual—

23 “(1) is in a hospital, skilled nursing
24 facility, nursing facility, residential treat-
25 ment facility, intermediate care facility for

1 the mentally retarded, or other medical in-
2 stitution; or

3 “(2) would be required to be placed in
4 such an institution if the individual were
5 not receiving personal assistance neces-
6 sitated by the impairment (or impair-
7 ments).”.

8 (2) NOTICE.—Within 1 month after the date of
9 the enactment of this Act, the Commissioner of So-
10 cial Security shall notify each individual whose eligi-
11 bility for cash supplemental security income benefits
12 under title XVI of the Social Security Act will termi-
13 nate by reason of the amendments made by para-
14 graph (1) of such termination.

15 (3) ANNUAL REPORTS ON LISTINGS OF IMPAIR-
16 MENTS.—The Commissioner of Social Security shall
17 annually submit to the Congress a report on the
18 Listings of Impairments set forth in appendix 1 of
19 subpart P of part 404 of title 20, Code of Federal
20 Regulations (revised as of April 1, 1994), that are
21 applicable to individuals who have not attained 18
22 years of age, and recommend any necessary revisions
23 to the listings.

24 (b) ESTABLISHMENT OF PROGRAM OF BLOCK
25 GRANTS REGARDING CHILDREN WITH DISABILITIES.—

1 Title XVI of the Social Security Act (42 U.S.C. 1381 et
2 seq.) is amended by adding at the end the following:

3 **“PART C—BLOCK GRANTS TO STATES FOR**
4 **CHILDREN WITH DISABILITIES**

5 **“SEC. 1641. ENTITLEMENT TO GRANTS.**

6 “Each State that meets the requirements of section
7 1642 for fiscal year 1997 or any subsequent fiscal year
8 shall be entitled to receive from the Commissioner for the
9 fiscal year a grant in an amount equal to the allotment
10 (as defined in section 1646(1)) of the State for the fiscal
11 year.

12 **“SEC. 1642. REQUIREMENTS.**

13 “(a) IN GENERAL.—A State meets the requirements
14 of this section for a grant under section 1641 for a fiscal
15 year if by the date specified by the Commissioner, the
16 State submits to the Commissioner an application for the
17 grant that is in such form, is made in such manner, and
18 contain such agreements, assurances, and information as
19 the Commissioner determines to be necessary to carry out
20 this part, and if the application contains an agreement by
21 the State in accordance with the following:

22 “(1) The grant will not be expended for any
23 purpose other than providing authorized services (as
24 defined in section 1646(2)) to qualifying children (as
25 defined in section 1646(3)).

1 “(2)(A) In providing authorized services, the
2 State will make every reasonable effort to obtain
3 payment for the services from other Federal or State
4 programs that provide payment for such services
5 and from private entities that are legally liable to
6 make the payments pursuant to insurance policies,
7 prepaid plans, or other arrangements.

8 “(B) The State will expend the grant only to
9 the extent that payments from the programs and en-
10 tities described in subparagraph (A) are not avail-
11 able for authorized services provided by the State.

12 “(3) The State will comply with the condition
13 described in subsection (b).

14 “(4) The State will comply with the condition
15 described in subsection (c).

16 “(b) MAINTENANCE OF EFFORT.—

17 “(1) IN GENERAL.—The condition referred to
18 in subsection (a)(3) for a State for a fiscal year is
19 that, with respect to the purposes described in para-
20 graph (2), the State will maintain expenditures of
21 non-Federal amounts for such purposes at a level
22 that is not less than the following, as applicable:

23 “(A) For the first fiscal year for which the
24 State receives a grant under section 1641, an
25 amount equal to the difference between—

1 “(i) the average level of such expendi-
2 tures maintained by the State for the 2-
3 year period preceding October 1, 1995 (ex-
4 cept that, if such first fiscal year is other
5 than fiscal year 1997, the amount of such
6 average level shall be increased to the ex-
7 tent necessary to offset the effect of infla-
8 tion occurring after October 1, 1995); and

9 “(ii) the aggregate of non-Federal ex-
10 penditures made by the State for such 2-
11 year period pursuant to section 1618 (as
12 such section was in effect for such period).

13 “(B) For each subsequent fiscal year, the
14 amount applicable under subparagraph (A) in-
15 creased to the extent necessary to offset the ef-
16 fect of inflation occurring after the beginning of
17 the fiscal year to which such subparagraph ap-
18 plies.

19 “(2) RELEVANT PURPOSES.—The purposes de-
20 scribed in this paragraph are any purposes designed
21 to meet (or assist in meeting) the unique needs of
22 qualifying children that arise from physical and
23 mental impairments, including such purposes that
24 are authorized to be carried out under title XIX.

1 “(3) RULE OF CONSTRUCTION.—With respect
2 to compliance with the agreement made by a State
3 pursuant to paragraph (1), the State has discretion
4 to select, from among the purposes described in
5 paragraph (2), the purposes for which the State ex-
6 pends the non-Federal amounts reserved by the
7 State for such compliance.

8 “(4) USE OF CONSUMER PRICE INDEX.—Deter-
9 minations under paragraph (1) of the extent of in-
10 flation shall be made through use of the consumer
11 price index for all urban consumers, U.S. city aver-
12 age, published by the Bureau of Labor Statistics.

13 “(c) ASSESSMENT OF NEED FOR SERVICES.—The
14 condition referred to in subsection (a)(4) for a State for
15 a fiscal year is that each qualifying child will be permitted
16 to apply for authorized services, and will be provided with
17 an opportunity to have an assessment conducted to deter-
18 mine the need of such child for authorized services.

19 **“SEC. 1643. AUTHORITY OF STATE.**

20 “The following decisions are in the discretion of a
21 State with respect to compliance with an agreement made
22 by the State under section 1642(a)(1):

23 “(1) Decisions regarding which of the author-
24 ized services are provided.

1 “(2) Decisions regarding who among qualifying
2 children in the State receives the services.

3 “(3) Decisions regarding the number of services
4 provided for the qualifying child involved and the
5 duration of the services.

6 **“SEC. 1644. AUTHORIZED SERVICES.**

7 “(a) AUTHORITY OF COMMISSIONER.—The Commis-
8 sioner, subject to subsection (b), shall issue regulations
9 designating the purposes for which grants under section
10 1641 are authorized to be expended by the States.

11 “(b) REQUIREMENTS REGARDING SERVICES.—The
12 Commissioner shall ensure that the purposes authorized
13 under subsection (a)—

14 “(1) are designed to meet (or assist in meeting)
15 the unique needs of qualifying children that arise
16 from physical and mental impairments;

17 “(2) include medical and nonmedical services;
18 and

19 “(3) do not include the provision of cash bene-
20 fits.

21 **“SEC. 1645. GENERAL PROVISIONS.**

22 “(a) ISSUANCE OF REGULATIONS.—Regulations
23 under this part shall be issued in accordance with proce-
24 dures established for the issuance of substantive rules
25 under section 553 of title 5, United States Code. Pay-

1 ments under grants under section 1641 for fiscal year
2 1997 shall begin not later than January 1, 1997, without
3 regard to whether final rules under this part have been
4 issued and without regard to whether such rules have
5 taken effect.

6 “(b) PROVISIONS REGARDING OTHER PROGRAMS.—

7 “(1) INAPPLICABILITY OF VALUE OF SERV-
8 ICES.—The value of authorized services provided
9 under this part shall not be taken into account in
10 determining eligibility for, or the amount of, benefits
11 or services under any Federal or federally-assisted
12 program.

13 “(2) MEDICAID PROGRAM.—For purposes of
14 title XIX, each qualifying child shall be considered
15 to be a recipient of supplemental security income
16 benefits under this title. The preceding sentence ap-
17 plies on and after the date of the enactment of this
18 part.

19 “(c) USE BY STATES OF EXISTING DELIVERY SYS-
20 TEMS.—With respect to the systems utilized by the States
21 to deliver services to individuals with disabilities (including
22 systems utilized before the date of the enactment of the
23 Welfare Transformation Act of 1995), it is the sense of
24 the Congress that the States should utilize such systems
25 in providing authorized services under this part.

1 “(d) REQUIRED PARTICIPATION OF STATES.—Sub-
2 paragraphs (C)(i) and (E)(i)(I) of section 205(c)(2) shall
3 not apply to a State that does not participate in the pro-
4 gram established in this part for fiscal year 1997 or any
5 succeeding fiscal year.

6 **“SEC. 1646. DEFINITIONS.**

7 “As used in this part:

8 “(1) ALLOTMENT.—The term ‘allotment’
9 means, with respect to a State and a fiscal year, the
10 product of—

11 “(A) an amount equal to the difference be-
12 tween—

13 “(i) the number of qualifying children
14 in the State (as determined for the most
15 recent 12-month period for which data are
16 available to the Commissioner); and

17 “(ii) the number of qualifying children
18 in the State receiving cash benefits under
19 this title by reason of disability (as so de-
20 termined); and

21 “(B) an amount equal to 75 percent of the
22 mean average of the respective annual totals of
23 cash benefits paid under this title to each quali-
24 fying child described in subparagraph (A)(ii)
25 (as so determined).

1 “(2) AUTHORIZED SERVICE.—The term ‘au-
2 thorized service’ means each purpose authorized by
3 the Commissioner under section 1644(a).

4 “(3) QUALIFYING CHILD.—

5 “(A) IN GENERAL.—The term ‘qualifying
6 child’ means an individual who—

7 “(i) has not attained 18 years of age;
8 and

9 “(ii) is (or, but for section
10 1614(a)(3)(A)(ii)(II)(bb), would be) eligi-
11 ble for cash benefits under this title by
12 reason of disability.

13 “(B) RESPONSIBILITIES OF COMMIS-
14 SIONER.—The Commissioner shall provide for
15 determinations of whether individuals meet the
16 criteria established in subparagraph (A) for sta-
17 tus as qualifying children. Such determinations
18 shall be made in accordance with the provisions
19 otherwise applicable under this title with re-
20 spect to such criteria.”.

21 (c) PROVISIONS RELATING TO SSI CASH BENEFITS
22 AND SSI SERVICE BENEFITS.—

23 (1) CONTINUING DISABILITY REVIEWS FOR
24 CERTAIN CHILDREN.—Section 1614(a)(3)(G) of such
25 Act (42 U.S.C. 1382c(a)(3)(G)) is amended—

1 (A) by inserting “(i)” after “(G)”; and

2 (B) by adding at the end the following:

3 “(ii)(I) Not less frequently than once every 3 years,
4 the Commissioner shall redetermine the eligibility for cash
5 benefits under this title and for services under part C—

6 “(aa) of each individual who has not attained
7 18 years of age and is eligible for such cash benefits
8 by reason of disability; and

9 “(bb) of each qualifying child (as defined in sec-
10 tion 1646(3)).

11 “(II) Subclause (I) shall not apply to an individual
12 if the individual has an impairment (or combination of im-
13 pairments) which is (or are) not expected to improve.”.

14 (2) DISABILITY REVIEW REQUIRED FOR SSI RE-
15 CIPIENTS WHO ARE 18 YEARS OF AGE.—

16 (A) IN GENERAL.—Section 1614(a)(3)(G)
17 of such Act (42 U.S.C. 1382c(a)(3)(G)), as
18 amended by paragraph (1) of this subsection, is
19 amended by adding at the end the following:

20 “(iii)(I) The Commissioner shall redetermine the eli-
21 gibility of a qualified individual for supplemental security
22 income benefits under this title by reason of disability, by
23 applying the criteria used in determining eligibility for
24 such benefits of applicants who have attained 18 years of
25 age.

1 “(II) The redetermination required by subclause (I)
2 with respect to a qualified individual shall be conducted
3 during the 1-year period that begins on the date the quali-
4 fied individual attains 18 years of age.

5 “(III) As used in this clause, the term ‘qualified indi-
6 vidual’ means an individual who attains 18 years of age
7 and is a recipient of cash benefits under this title by rea-
8 son of disability or of services under part C.

9 “(IV) A redetermination under subclause (I) of this
10 clause shall be considered a substitute for a review re-
11 quired under any other provision of this subparagraph.”.

12 (B) REPORT TO THE CONGRESS.—Not
13 later than October 1, 1998, the Commissioner
14 of Social Security shall submit to the Commit-
15 tee on Ways and Means of the House of Rep-
16 resentatives and the Committee on Finance of
17 the Senate a report on the activities conducted
18 under section 1614(a)(3)(G)(iii) of the Social
19 Security Act.

20 (C) CONFORMING REPEAL.—Section 207
21 of the Social Security Independence and Pro-
22 gram Improvements Act of 1994 (42 U.S.C.
23 1382 note; 108 Stat. 1516) is hereby repealed.

24 (3) DISABILITY REVIEW REQUIRED FOR LOW
25 BIRTH WEIGHT BABIES WHO HAVE RECEIVED SSI

1 BENEFITS FOR 12 MONTHS.—Section 1614(a)(3)(G)
2 of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended
3 by paragraphs (1) and (2) of this subsection, is
4 amended by adding at the end the following:

5 “(iv)(I) The Commissioner shall redetermine the eli-
6 gibility for—

7 “(aa) cash benefits under this title by reason of
8 disability of an individual whose low birth weight is
9 a contributing factor material to the Commissioner’s
10 determination that the individual is disabled; and

11 “(bb) services under part C of an individual
12 who is eligible for such services by reason of low
13 birth weight.

14 “(II) The redetermination required by subclause (I)
15 shall be conducted once the individual has received such
16 benefits for 12 months.

17 “(III) A redetermination under subclause (I) of this
18 clause shall be considered a substitute for a review re-
19 quired under any other provision of this subparagraph.”.

20 (4) APPLICABILITY OF MEDICAID RULES RE-
21 GARDING COUNTING OF CERTAIN ASSETS AND
22 TRUSTS FOR CHILDREN.—Section 1613(c) of the So-
23 cial Security Act (42 U.S.C. 1382b(c)) is amended
24 to read as follows:

1 “TREATMENT OF CERTAIN ASSETS AND TRUSTS IN
2 ELIGIBILITY DETERMINATIONS FOR CHILDREN

3 “(c) Subsections (c) and (d) of section 1917 shall
4 apply to determinations of eligibility for benefits under
5 this title in the case of an individual who has not attained
6 18 years of age in the same manner as such subsections
7 apply to determinations of eligibility for medical assistance
8 under a State plan under title XIX, except that—

9 “(1) the amount described in section
10 1917(c)(1)(E)(i)(II) shall be the amount of cash
11 benefits payable under this title to an eligible indi-
12 vidual who does not have an eligible spouse and who
13 has no income or resources;

14 “(2) the look-back date specified in section
15 1917(c)(1)(B) shall be the date that is 36 months
16 before the date the individual has applied for bene-
17 fits under this title; and

18 “(3) any assets in a trust over which the indi-
19 vidual has control shall be considered assets of the
20 individual.”.

21 (d) CONFORMING AMENDMENTS.—

22 (1) Subsections (b)(1), (b)(2), (c)(3), (c)(5),
23 and (e)(1)(B) of section 1611 and section
24 1614(a)(1)(B)(ii) of the Social Security Act (42
25 U.S.C. 1382(b)(1), (b)(2), (c)(3), (c)(5), and

1 (e)(1)(B) and 1382c(a)(1)(B)(ii)) are each amended
2 by inserting “cash” before “benefit under this title”.

3 (2) Section 1611(c)(1) of such Act (42 U.S.C.
4 1382(c)(1)) is amended—

5 (A) by striking “a benefit” and inserting
6 “benefits”;

7 (B) by striking “such benefit” and insert-
8 ing “the cash benefit under this title”; and

9 (C) by striking “and the amount of such
10 benefits” and inserting “benefits under this
11 title and the amount of any cash benefit under
12 this title”.

13 (3) Section 1611(c)(2) of such Act (42 U.S.C.
14 1382(c)(2)) is amended—

15 (A) by striking “such benefit” and insert-
16 ing “the cash benefit”;

17 (B) by inserting “cash” before “benefits”
18 each place such term appears; and

19 (C) in subparagraph (B), by inserting
20 “cash” before “benefit”.

21 (4) Section 1611(c)(3) of such Act (42 U.S.C.
22 1382(c)(3)) is amended by inserting “cash” before
23 “benefits under this title”.

1 (5) Section 1611(e)(1)(G) of such Act (42
2 U.S.C. 1382(e)(1)(G)) is amended by inserting
3 “cash” before “benefit of”.

4 (6) Section 1614(a)(4) of such Act (42 U.S.C.
5 1382c(a)(4)) is amended by inserting “or impair-
6 ment” after “disability” each place such term ap-
7 pears.

8 (7) Section 1614(f)(1) of such Act (42 U.S.C.
9 1382c(f)(1)) is amended by striking “and the
10 amount of such benefits” and inserting “benefits
11 under this title and the amount of any cash benefit
12 under this title”.

13 (8) Section 1614(f)(2)(A) of such Act (42
14 U.S.C. 1382c(f)(2)(A)) is amended by striking “and
15 the amount of benefits” and inserting “benefits
16 under this title and the amount of any cash benefit”.

17 (9) Section 1614(f)(3) of such Act (42 U.S.C.
18 1382c(f)(3)) is amended by striking “and the
19 amount of benefits” and inserting “benefits under
20 this title and the amount of any cash benefit under
21 this title”.

22 (10) Section 1616(e)(1) of such Act (42 U.S.C.
23 1382e(e)(1)) is amended by inserting “cash” before
24 “supplemental”.

1 (11) Section 1618(b)(2) of such Act (42 U.S.C.
2 1382g(b)(2)) is amended by inserting “cash” after
3 “level of”.

4 (12) Section 1621(a) of such Act (42 U.S.C.
5 1382j(a)) is amended by striking “and the amount
6 of benefits” and inserting “benefits under this title
7 and the amount of any cash benefit under this title”.

8 (13) Section 1631(a)(4) of such Act (42 U.S.C.
9 1383(a)(4)) is amended by inserting “cash” before
10 “benefits” the 1st place such term appears in each
11 of subparagraphs (A) and (B).

12 (14) Section 1631(a)(7)(A) of such Act (42
13 U.S.C. 1383(a)(7)(A)) is amended by inserting
14 “cash” before “benefits based”.

15 (15) Section 1631(a)(8)(A) of such Act (42
16 U.S.C. 1383(a)(8)(A)) is amended by striking “ben-
17 efits based on disability or blindness under this
18 title” and inserting “benefits under this title (other
19 than by reason of age)”.

20 (16) Section 1631(c) of such Act (42 U.S.C.
21 1383(c)) is amended—

22 (A) by striking “payment” each place such
23 term appears and inserting “benefits”; and

24 (B) by striking “payments” and inserting
25 “benefits”.

1 (17) Section 1631(e) of such Act (42 U.S.C.
2 1383(e)) is amended—

3 (A) in paragraph (1)(B), by striking
4 “amounts of such benefits” and inserting
5 “amounts of cash benefits under this title”;

6 (B) in paragraph (2), by inserting “cash”
7 before “benefits” each place such term appears;

8 (C) by redesignating the 2nd paragraph
9 (6) and paragraph (7) as paragraphs (7) and
10 (8), respectively; and

11 (D) in paragraph (7) (as so redesignated),
12 by inserting “cash” before “benefits”.

13 (18) Section 1631(g)(2) of such Act (42 U.S.C.
14 1383(g)(2)) is amended by striking “supplemental
15 security income” and inserting “cash”.

16 (19) Section 1635(a) of such Act (42 U.S.C.
17 1383d(a)) is amended by striking “by reason of dis-
18 ability or blindness”.

19 (e) TEMPORARY ELIGIBILITY FOR CASH BENEFITS
20 FOR POOR DISABLED CHILDREN RESIDING IN STATES
21 APPLYING ALTERNATIVE INCOME ELIGIBILITY STAND-
22 ARDS UNDER MEDICAID.—For the period that begins with
23 the 1st month that begins 90 or more days after the date
24 of the enactment of this Act and ends on September 30,
25 1996, an individual shall be considered to be an eligible

1 individual for purposes of the supplemental security in-
2 come program established under title XVI of the Social
3 Security Act if the individual—

4 (1) has not attained 18 years of age;

5 (2) meets the requirements of section
6 1614(a)(3)(A)(ii)(II) of such Act and all non-disabil-
7 ity related requirements for eligibility for supple-
8 mental security income benefits under such title
9 XVI;

10 (3) resides in a State that, pursuant to section
11 1902(f) of such Act, restricts eligibility for medical
12 assistance under title XIX of such Act with respect
13 to aged, blind, and disabled individuals; and

14 (4) is not eligible for medical assistance under
15 the State plan under such title XIX.

16 (f) REDUCTION IN CASH BENEFITS PAYABLE TO IN-
17 STITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS
18 ARE COVERED BY PRIVATE INSURANCE.—Section
19 1611(e)(1)(B) of the Social Security Act (42 U.S.C.
20 1382(e)(1)(B)) is amended by inserting “or under any
21 health insurance policy issued by a private provider of
22 such insurance” after “title XIX”.

23 (g) APPLICABILITY.—

24 (1) IN GENERAL.—Except as provided in para-
25 graph (2), the amendments made by subsections

1 (a)(1), (c), (d) and (f) and section 1645(b)(2) of the
2 Social Security Act (as added by the amendment
3 made by subsection (b) of this section), shall apply
4 to benefits for months beginning 90 or more days
5 after the date of the enactment of this Act, without
6 regard to whether regulations have been issued to
7 implement such amendments.

8 (2) DELAYED APPLICABILITY TO CURRENT SSI
9 RECIPIENTS OF ELIGIBILITY RESTRICTIONS.—The
10 amendments made by subsection (a)(1) shall not
11 apply, during the first 6 months that begin after the
12 month in which this Act becomes law, to an individ-
13 ual who is a recipient of cash supplemental security
14 income benefits under title XVI of the Social Secu-
15 rity Act for the month in which this Act becomes
16 law.

17 (h) REGULATIONS.—Within 3 months after the date
18 of the enactment of this Act—

19 (1) the Commissioner of Social Security shall
20 prescribe such regulations as may be necessary to
21 implement the amendments made by subsections
22 (a)(1), (c), (d), and (f) and to implement subsection
23 (e); and

24 (2) the Secretary of Health and Human Serv-
25 ices shall prescribe such regulations as may be nec-

1 essary to implement section 1645(b)(2) of the Social
2 Security Act, as added by the amendment made by
3 subsection (b) of this section.

4 **SEC. 403. EXAMINATION OF MENTAL LISTINGS USED TO DE-**
5 **TERMINE ELIGIBILITY OF CHILDREN FOR SSI**
6 **BENEFITS BY REASON OF DISABILITY.**

7 Section 202(e)(2) of the Social Security Independ-
8 ence and Program Improvements Act of 1994 (42 U.S.C.
9 1382 note) is amended—

10 (1) by striking “and” at the end of subpara-
11 graph (F); and

12 (2) by redesignating subparagraph (G) as sub-
13 paragraph (H) and inserting after subparagraph (F)
14 the following:

15 “(G) whether the criteria in the mental
16 disorders listings in the Listings of Impair-
17 ments set forth in appendix 1 of subpart P of
18 part 404 of title 20, Code of Federal Regula-
19 tions, are appropriate to ensure that eligibility
20 of individuals who have not attained 18 years of
21 age for cash benefits under the supplemental
22 security income program by reason of disability
23 is limited to those who have serious disabilities
24 and for whom such benefits are necessary to
25 improve their condition or quality of life; and”.

1 **SEC. 404. LIMITATION ON PAYMENTS TO PUERTO RICO,**
2 **THE VIRGIN ISLANDS, AND GUAM UNDER**
3 **PROGRAMS OF AID TO THE AGED, BLIND, OR**
4 **DISABLED.**

5 Section 1108 of the Social Security Act (42 U.S.C.
6 1308), as amended by section 104(f)(1) of this Act, is
7 amended by inserting before “The total” the following:

8 “(a) PROGRAMS OF AID TO THE AGED, BLIND, OR
9 DISABLED.—The total amount certified by the Secretary
10 of Health and Human Services under titles I, X, XIV, and
11 XVI (as in effect without regard to the amendment made
12 by section 301 of the Social Security Amendments of
13 1972)—

14 “(1) for payment to Puerto Rico shall not ex-
15 ceed \$18,053,940;

16 “(2) for payment to the Virgin Islands shall not
17 exceed \$473,659; and

18 “(3) for payment to Guam shall not exceed
19 \$900,718.

20 “(b) MEDICAID PROGRAMS.—”.

21 **SEC. 405. REPEAL OF MAINTENANCE OF EFFORT REQUIRE-**
22 **MENTS APPLICABLE TO OPTIONAL STATE**
23 **PROGRAMS FOR SUPPLEMENTATION OF SSI**
24 **BENEFITS.**

25 Section 1618 of the Social Security Act (42 U.S.C.
26 1382g) is hereby repealed.

1 **TITLE V—CHILD SUPPORT**

2 **SEC. 500. REFERENCES.**

3 Except as otherwise specifically provided, wherever in
4 this title an amendment is expressed in terms of an
5 amendment to or repeal of a section or other provision,
6 the reference shall be considered to be made to that sec-
7 tion or other provision of the Social Security Act.

8 **Subtitle A—Case Registries, Eligibility for Services, and Distribu-**
9 **tion of Payments**

11 **SEC. 501. CASE REGISTRIES; STATE OBLIGATION TO PRO-**
12 **VIDE CHILD SUPPORT ENFORCEMENT SERV-**
13 **ICES.**

14 (a) **REQUIRED PROCEDURES.**—Section 466(a) (42
15 U.S.C. 666(a)) is amended by adding at the end the fol-
16 lowing:

17 “(12) **USE OF STATE CASE REGISTRY AND DIS-**
18 **BURSEMENT UNIT.**—Procedures under which the
19 State shall establish and operate a State case reg-
20 istry in accordance with section 454A(e) and a State
21 disbursement unit in accordance with section
22 454B.”.

23 (b) **STATE PLAN REQUIREMENTS.**—Section 454 (42
24 U.S.C. 654) is amended—

1 (1) by striking paragraph (4) and inserting the
2 following:

3 “(4) provide that the State will—

4 “(A) provide services relating to the estab-
5 lishment of paternity or the establishment,
6 modification, or enforcement of child support
7 obligations, as appropriate, under the plan with
8 respect to—

9 “(i) each child for whom cash assist-
10 ance is provided under the State program
11 funded under part A of this title, benefits
12 or services are provided under the State
13 program funded under part B of this title,
14 or medical assistance is provided under the
15 State plan approved under title XIX, un-
16 less the State agency administering the
17 plan determines (in accordance with para-
18 graph (27)) that it is against the best in-
19 terests of the child to do so; and

20 “(ii) any other child, if an individual
21 applies for such services with respect to
22 the child; and

23 “(B) enforce any support obligation estab-
24 lished with respect to—

1 “(i) a child with respect to whom the
2 State provides services under the plan; or

3 “(ii) the custodial parent of such a
4 child.”; and

5 (2) in paragraph (6)—

6 (A) by striking subparagraph (A) and in-
7 serting the following:

8 “(A) services under the plan shall be made
9 available to nonresidents on the same terms as
10 to residents;”;

11 (B) in subparagraph (B), by inserting “on
12 individuals not receiving assistance under any
13 State program funded under part A” after
14 “such services shall be imposed”;

15 (C) in each of subparagraphs (B), (C), and
16 (D)—

17 (i) by indenting the subparagraph in
18 the same manner as, and aligning the left
19 margin of the subparagraph with the left
20 margin of, the matter inserted by subpara-
21 graph of this paragraph; and

22 (ii) by striking the final comma and
23 inserting a semicolon; and

24 (D) in subparagraph (E), by indenting
25 each of clauses (i) and (ii) 2 additional ems.

1 (c) CONFORMING AMENDMENTS.—

2 (1) Section 452(b) (42 U.S.C. 652(b)) is
3 amended by striking “454(6)” and inserting
4 “454(4)”.

5 (2) Section 452(g)(2)(A) (42 U.S.C.
6 652(g)(2)(A)) is amended by striking “454(6)” each
7 place it appears and inserting “454(4)(A)(ii)”.

8 (3) Section 466(a)(3)(B) (42 U.S.C.
9 666(a)(3)(B)) is amended by striking “in the case of
10 overdue support which a State has agreed to collect
11 under section 454(6)” and inserting “in any other
12 case”.

13 (4) Section 466(e) (42 U.S.C. 666(e)) is
14 amended by striking “paragraph (4) or (6) of sec-
15 tion 454” and inserting “section 454(4)”.

16 **SEC. 502. DISTRIBUTION OF CHILD SUPPORT COLLEC-**
17 **TIONS.**

18 (a) IN GENERAL.—Section 457 (42 U.S.C. 657) is
19 amended to read as follows:

20 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

21 **“(a) IN GENERAL.—**An amount collected on behalf
22 of a family as support by a State pursuant to a plan ap-
23 proved under this part shall be distributed as follows:

24 **“(1) FAMILIES RECEIVING ASSISTANCE UNDER**
25 **STATE PROGRAM FUNDED UNDER PART A.—**In the

1 case of a family receiving assistance under the State
2 program funded under part A, the State shall—

3 “(A) retain, or distribute to the family, the
4 State share of the amount; and

5 “(B) pay to the Federal Government the
6 Federal share of the amount.

7 “(2) FAMILIES THAT FORMERLY RECEIVED AS-
8 SISTANCE UNDER STATE PROGRAM FUNDED UNDER
9 PART A.—In the case of a family that formerly re-
10 ceived assistance under the State program funded
11 under part A:

12 “(A) CURRENT SUPPORT PAYMENTS.—To
13 the extent that the amount does not exceed the
14 amount required to be paid to the family for
15 the month in which collected, the State shall
16 distribute the amount to the family.

17 “(B) PAYMENTS OF ARREARAGES.—To the
18 extent that the amount exceeds the amount re-
19 quired to be paid to the family for the month
20 in which collected, the State shall distribute the
21 amount as follows:

22 “(i) DISTRIBUTION TO THE FAMILY
23 TO SATISFY ARREARAGES THAT ACCRUED
24 BEFORE OR AFTER THE FAMILY RECEIVED
25 ASSISTANCE.—The State shall distribute

1 the amount to the family to the extent nec-
2 essary to satisfy any support arrears with
3 respect to the family that accrued before
4 or after the family received assistance
5 under the State program funded under
6 part A or the State plan approved under
7 part A of this title (as in effect before Oc-
8 tober 1, 1996).

9 “(ii) REIMBURSEMENT OF GOVERN-
10 MENTS FOR ASSISTANCE PROVIDED TO
11 THE FAMILY.—To the extent that clause
12 (i) does not apply to the amount, the State
13 shall retain the State share of the amount,
14 and pay to the Federal Government the
15 Federal share of the amount, to the extent
16 necessary to reimburse amounts paid to
17 the family as assistance under the State
18 program funded under part A or as aid to
19 families with dependent children under the
20 State plan approved under part A of this
21 title (as in effect before October 1, 1996).

22 “(iii) DISTRIBUTION OF THE REMAIN-
23 DER TO THE FAMILY.—To the extent that
24 neither clause (i) nor clause (ii) applies to

1 the amount, the State shall distribute the
2 amount to the family.

3 “(3) FAMILIES THAT NEVER RECEIVED ASSIST-
4 ANCE.—In the case of any other family, the State
5 shall distribute the amount to the family.

6 “(b) DEFINITIONS.—As used in subsection (a):

7 “(1) FEDERAL SHARE.—The term ‘Federal
8 share’ means, with respect to a State, the greatest
9 Federal medical assistance percentage in effect for
10 the State for fiscal year 1995 or any succeeding fis-
11 cal year.

12 “(2) FEDERAL MEDICAL ASSISTANCE PERCENT-
13 AGE.—The term ‘Federal medical assistance per-
14 centage’ means—

15 “(A) the Federal medical assistance per-
16 centage (as defined in section 1118), in the case
17 of Puerto Rico, the Virgin Islands, Guam, and
18 American Samoa; or

19 “(B) the Federal medical assistance per-
20 centage (as defined in section 1905(b)) in the
21 case of any other State.

22 “(3) STATE SHARE.—The term ‘State share’
23 means 100 percent minus the Federal share.

24 “(c) CONTINUATION OF SERVICES FOR FAMILIES
25 CEASING TO RECEIVE ASSISTANCE UNDER THE STATE

1 PROGRAM FUNDED UNDER PART A.—When a family with
2 respect to which services are provided under a State plan
3 approved under this part ceases to receive assistance
4 under the State program funded under part A, the State
5 shall provide appropriate notice to the family and continue
6 to provide such services, subject to the same conditions
7 and on the same basis as in the case of individuals to
8 whom services are furnished under section 454, except
9 that an application or other request to continue services
10 shall not be required of such a family and section
11 454(6)(B) shall not apply to the family.”.

12 (b) EFFECTIVE DATE.—

13 (1) GENERAL RULE.—Except as provided in
14 paragraph (2), the amendment made by subsection
15 (a) shall become effective on October 1, 1997.

16 (2) EARLIER EFFECTIVE DATE FOR RULES RE-
17 LATING TO DISTRIBUTION OF SUPPORT COLLECTED
18 FOR FAMILIES RECEIVING TEMPORARY FAMILY AS-
19 SISTANCE.—Section 457(a)(1) of the Social Security
20 Act, as added by the amendment made by subsection
21 (a), shall become effective on October 1, 1996.

22 **SEC. 503. PRIVACY SAFEGUARDS.**

23 (a) STATE PLAN REQUIREMENT.—Section 454 (42
24 U.S.C. 454) is amended—

1 (1) by striking “and” at the end of paragraph
2 (23);

3 (2) by striking the period at the end of para-
4 graph (24) and inserting “; and”; and

5 (3) by adding after paragraph (24) the follow-
6 ing:

7 “(25) will have in effect safeguards, applicable
8 to all confidential information handled by the State
9 agency, that are designed to protect the privacy
10 rights of the parties, including—

11 “(A) safeguards against unauthorized use
12 or disclosure of information relating to proceed-
13 ings or actions to establish paternity, or to es-
14 tablish or enforce support;

15 “(B) prohibitions against the release of in-
16 formation on the whereabouts of one party to
17 another party against whom a protective order
18 with respect to the former party has been en-
19 tered; and

20 “(C) prohibitions against the release of in-
21 formation on the whereabouts of one party to
22 another party if the State has reason to believe
23 that the release of the information may result
24 in physical or emotional harm to the former
25 party.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall become effective on October 1, 1997.

3 **Subtitle B—Locate and Case**
4 **Tracking**

5 **SEC. 511. STATE CASE REGISTRY.**

6 Section 454A, as added by section 545(a)(2) of this
7 Act, is amended by adding at the end the following:

8 “(e) STATE CASE REGISTRY OF CHILD SUPPORT OR-
9 DERS.—

10 “(1) CONTENTS.—The automated system re-
11 quired by this section shall include a registry (which
12 shall be known as the ‘State case registry’) that con-
13 tains records with respect to—

14 “(A) each case in which services are being
15 provided by the State agency under the State
16 plan approved under this part; and

17 “(B) each support order established or
18 modified in the State on or after October 1,
19 1998.

20 “(2) LINKING OF LOCAL REGISTRIES.—The
21 State case registry may be established by linking
22 local case registries of support orders through an
23 automated information network, subject to this sec-
24 tion.

1 “(3) USE OF STANDARDIZED DATA ELE-
2 MENTS.—Such records shall use standardized data
3 elements for both parents (such as names, social se-
4 curity numbers and other uniform identification
5 numbers, dates of birth, and case identification
6 numbers), and contain such other information (such
7 as on case status) as the Secretary may require.

8 “(4) PAYMENT RECORDS.—Each case record in
9 the State case registry with respect to which services
10 are being provided under the State plan approved
11 under this part and with respect to which a support
12 order has been established shall include a record
13 of—

14 “(A) the amount of monthly (or other peri-
15 odic) support owed under the order, and other
16 amounts (including arrears, interest or late
17 payment penalties, and fees) due or overdue
18 under the order;

19 “(B) any amount described in subpara-
20 graph (A) that has been collected;

21 “(C) the distribution of such collected
22 amounts;

23 “(D) the birth date of any child for whom
24 the order requires the provision of support; and

1 “(E) the amount of any lien imposed pur-
2 suant to section 466(a)(4).

3 “(5) UPDATING AND MONITORING.—The State
4 agency operating the automated system required by
5 this section shall promptly establish and maintain,
6 and regularly monitor, case records in the State case
7 registry with respect to which services are being pro-
8 vided under the State plan approved under this part,
9 on the basis of—

10 “(A) information on administrative actions
11 and administrative and judicial proceedings and
12 orders relating to paternity and support;

13 “(B) information obtained from compari-
14 son with Federal, State, or local sources of in-
15 formation;

16 “(C) information on support collections
17 and distributions; and

18 “(D) any other relevant information.

19 “(f) INFORMATION COMPARISONS AND OTHER DIS-
20 CLOSURES OF INFORMATION.—The State shall use the
21 automated system required by this section to extract infor-
22 mation from (at such times, and in such standardized for-
23 mat or formats, as may be required by the Secretary), to
24 share and compare information with, and to receive infor-
25 mation from, other data bases and information compari-

1 son services, in order to obtain (or provide) information
2 necessary to enable the State agency (or the Secretary or
3 other State or Federal agencies) to carry out this part,
4 subject to section 6103 of the Internal Revenue Code of
5 1986. Such information comparison activities shall include
6 the following:

7 “(1) FEDERAL CASE REGISTRY OF CHILD SUP-
8 PORT ORDERS.—Furnishing to the Federal Case
9 Registry of Child Support Orders established under
10 section 453(h) (and update as necessary, with infor-
11 mation including notice of expiration of orders) the
12 minimum amount of information on child support
13 cases recorded in the State case registry that is nec-
14 essary to operate the registry (as specified by the
15 Secretary in regulations).

16 “(2) FEDERAL PARENT LOCATOR SERVICE.—
17 Exchanging information with the Federal Parent
18 Locator Service for the purposes specified in section
19 453.

20 “(3) TEMPORARY FAMILY ASSISTANCE AND
21 MEDICAID AGENCIES.—Exchanging information with
22 State agencies (of the State and of other States) ad-
23 ministering programs funded under part A, pro-
24 grams operated under State plans under title XIX,
25 and other programs designated by the Secretary, as

1 necessary to perform State agency responsibilities
2 under this part and under such programs.

3 “(4) INTRA- AND INTERSTATE INFORMATION
4 COMPARISONS.—Exchanging information with other
5 agencies of the State, agencies of other States, and
6 interstate information networks, as necessary and
7 appropriate to carry out (or assist other States to
8 carry out) the purposes of this part.”.

9 **SEC. 512. COLLECTION AND DISBURSEMENT OF SUPPORT**
10 **PAYMENTS.**

11 (a) STATE PLAN REQUIREMENT.—Section 454 (42
12 U.S.C. 654), as amended by section 503(a) of this Act,
13 is amended—

14 (1) by striking “and” at the end of paragraph
15 (24);

16 (2) by striking the period at the end of para-
17 graph (25) and inserting “; and”; and

18 (3) by adding after paragraph (25) the follow-
19 ing:

20 “(26) provide that, on and after October 1,
21 1998, the State agency will—

22 “(A) operate, in accordance with section
23 454B, a State disbursement unit for the collec-
24 tion and disbursement of child support under

1 support orders being enforced under this part;
 2 and

3 “(B) have sufficient State staff (consisting
 4 of State employees) and (at State option) con-
 5 tractors reporting directly to the State agency
 6 to—

7 “(i) monitor and enforce support col-
 8 lections through the unit (including carry-
 9 ing out the automated data processing re-
 10 sponsibilities described in section 454A(g));
 11 and

12 “(ii) take the actions described in sec-
 13 tion 466(c)(1) in appropriate cases.”.

14 (b) ESTABLISHMENT OF STATE DISBURSEMENT
 15 UNIT.—Part D of title IV (42 U.S.C. 651–669) is amend-
 16 ed by inserting after section 454A the following:

17 **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-**
 18 **PORT PAYMENTS.**

19 “(a) STATE DISBURSEMENT UNIT.—

20 “(1) IN GENERAL.—In order to meet the re-
 21 quirement of section 454(26) on and after October
 22 1, 1998, the State agency must establish and oper-
 23 ate a unit (which shall be known as the ‘State dis-
 24 bursement unit’) for the collection and disbursement

1 of payments under support orders in all cases being
2 enforced by the State pursuant to section 454(4).

3 “(2) OPERATION.—The State disbursement
4 unit shall be operated—

5 “(A) directly by the State agency (or 2 or
6 more State agencies under a regional coopera-
7 tive agreement), or (to the extent appropriate)
8 by a contractor responsible directly to the State
9 agency; and

10 “(B) in coordination with the automated
11 system established by the State pursuant to
12 section 454A.

13 “(3) LINKING OF LOCAL DISBURSEMENT
14 UNITS.—The State disbursement unit may be estab-
15 lished by linking local disbursement units through
16 an automated information network, subject to this
17 section.

18 “(b) REQUIRED PROCEDURES.—The State disburse-
19 ment unit shall use automated procedures, electronic proc-
20 esses, and computer-driven technology to the maximum
21 extent feasible, efficient, and economical, for the collection
22 and disbursement of support payments, including proce-
23 dures—

24 “(1) for receipt of payments from parents, em-
25 ployers, and other States, and for disbursements to

1 custodial parents and other obligees, the State agen-
2 cy, and the agencies of other States;

3 “(2) for accurate identification of payments;

4 “(3) to ensure prompt disbursement of the cus-
5 todial parent’s share of any payment; and

6 “(4) to furnish to any parent, upon request,
7 timely information on the current status of support
8 payments under an order requiring payments to be
9 made by or to the parent.”.

10 “(c) TIMING OF DISBURSEMENTS.—The State dis-
11 bursement unit shall distribute all amounts payable under
12 section 457(a) within 2 business days after receipt from
13 the employer or other source of periodic income, if suffi-
14 cient information identifying the payee is provided.

15 “(d) BUSINESS DAY DEFINED.—As used in this sec-
16 tion, the term ‘business day’ means a day on which State
17 offices are open for regular business.”.

18 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
19 added by section 545(a)(2) of this Act and as amended
20 by section 511 of this Act, is amended by adding at the
21 end the following:

22 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT
23 PAYMENTS.—

24 “(1) IN GENERAL.—The State shall use the
25 automated system required by this section, to the

1 maximum extent feasible, to assist and facilitate the
2 collection and disbursement of support payments
3 through the State disbursement unit operated under
4 section 454B, through the performance of functions,
5 including, at a minimum—

6 “(A) transmission of orders and notices to
7 employers (and other debtors) for the withhold-
8 ing of wages (and other income)—

9 “(i) within 2 business days after re-
10 ceipt (from a court, another State, an em-
11 ployer, the Federal Parent Locator Service,
12 or another source recognized by the State)
13 of notice of, and the income source subject
14 to, such withholding; and

15 “(ii) using uniform formats prescribed
16 by the Secretary;

17 “(B) ongoing monitoring to promptly iden-
18 tify failures to make timely payment of support;
19 and

20 “(C) automatic use of enforcement proce-
21 dures (including procedures authorized pursu-
22 ant to section 466(c)) where payments are not
23 timely made.

24 “(2) BUSINESS DAY DEFINED.—As used in
25 paragraph (1), the term ‘business day’ means a day

1 on which State offices are open for regular busi-
 2 ness.”.

3 (d) EFFECTIVE DATE.—The amendments made by
 4 this section shall become effective on October 1, 1998.

5 **SEC. 513. STATE DIRECTORY OF NEW HIRES.**

6 Part D of title IV (42 U.S.C. 651–669) is amended
 7 by inserting after section 453 the following:

8 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

9 “(a) ESTABLISHMENT.—

10 “(1) IN GENERAL.—Not later than October 1,
 11 1997, each State shall establish an automated direc-
 12 tory (to be known as the ‘State Directory of New
 13 Hires’) which shall contain information supplied in
 14 accordance with subsection (b) by employers and
 15 labor organizations on each newly hired employee.

16 “(2) DEFINITIONS.—As used in this section:

17 “(A) EMPLOYEE.—The term ‘employee’—

18 “(i) means an individual who is an
 19 employee within the meaning of chapter 24
 20 of the Internal Revenue Code of 1986; and

21 “(ii) does not include an employee of
 22 a Federal or State agency performing in-
 23 telligence or counterintelligence functions,
 24 if the head of such agency has determined
 25 that reporting pursuant to paragraph (1)

1 with respect to the employee could endan-
2 ger the safety of the employee or com-
3 promise an ongoing investigation or intel-
4 ligence mission.

5 “(B) GOVERNMENTAL EMPLOYERS.—The
6 term ‘employer’ includes any governmental
7 entity.

8 “(C) LABOR ORGANIZATION.—The term
9 ‘labor organization’ shall have the meaning
10 given such term in section 2(5) of the National
11 Labor Relations Act), and includes any entity
12 (also known as a ‘hiring hall’) which is used by
13 the organization and an employer to carry out
14 requirements described in section 8(f)(3) of
15 such Act of an agreement between the organiza-
16 tion and the employer.

17 “(b) EMPLOYER INFORMATION.—

18 “(1) REPORTING REQUIREMENT.—Each em-
19 ployer shall furnish to the Directory of New Hires
20 of the State in which a newly hired employee works
21 a report that contains the name, address, and social
22 security number of the employee, and the name of,
23 and identifying number assigned under section 6109
24 of the Internal Revenue Code of 1986 to, the
25 employer.

1 “(2) TIMING OF REPORT.—The report required
2 by paragraph (1) with respect to an employee shall
3 be made not later than the later of—

4 “(A) 15 days after the date the employer
5 hires the employee; or

6 “(B) the date the employee first receives
7 wages or other compensation from the em-
8 ployer.

9 “(c) REPORTING FORMAT AND METHOD.—Each re-
10 port required by subsection (b) shall be made on a W-
11 4 form or the equivalent, and may be transmitted by first
12 class mail, magnetically, or electronically.

13 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING
14 EMPLOYERS.—

15 “(1) IN GENERAL.—An employer that fails to
16 comply with subsection (b) with respect to an em-
17 ployee shall be subject to a civil money penalty of—

18 “(A) \$25; or

19 “(B) \$500 if, under State law, the failure
20 is the result of a conspiracy between the em-
21 ployer and the employee to not supply the re-
22 quired report or to supply a false or incomplete
23 report.

24 “(2) APPLICABILITY OF SECTION 1128.—Section
25 1128 (other than subsections (a) and (b) thereof)

1 shall apply to a civil money penalty under paragraph
2 (1) of this subsection in the same manner as such
3 section applies to a civil money penalty or proceed-
4 ing under section 1128A(a).

5 “(e) INFORMATION COMPARISONS.—

6 “(1) IN GENERAL.—Not later than October 1,
7 1997, an agency designated by the State shall, di-
8 rectly or by contract, conduct automated compari-
9 sons of the social security numbers reported by em-
10 ployers pursuant to subsection (b) and the social se-
11 curity numbers appearing in the records of the State
12 case registry.

13 “(2) NOTICE OF MATCH.—When an information
14 comparison conducted under paragraph (1) reveals a
15 match with respect to the social security number of
16 an individual required to provide support under a
17 support order, the State Directory of New Hires
18 shall provide the agency administering the State
19 plan approved under this part of the appropriate
20 State with the name, address, and social security
21 number of the employee to whom the social security
22 number is assigned, and the name of, and identify-
23 ing number assigned under section 6109 of the In-
24 ternal Revenue Code of 1986 to, the employer.

1 “(g) TRANSMISSION OF WAGE WITHHOLDING NO-
2 TICES.—

3 “(1) IN GENERAL.—Within 2 business days
4 after the date information regarding a newly hired
5 employee is entered into the State Directory of New
6 Hires, the State agency enforcing the employee’s
7 child support obligation shall transmit a notice to
8 the employer of the employee directing the employer
9 to withhold from the wages of the employee an
10 amount equal to the monthly (or other periodic)
11 child support obligation of the employee, unless the
12 employee’s wages are not subject to withholding pur-
13 suant to section 466(b)(3).

14 “(2) BUSINESS DAY DEFINED.—As used in
15 paragraph (1) and subsection (h), the term ‘business
16 day’ means a day on which State offices are open for
17 regular business.

18 “(h) TRANSMISSION OF INFORMATION TO THE NA-
19 TIONAL DIRECTORY OF NEW HIRES.—

20 “(1) IN GENERAL.—Within 4 business days
21 after the State Directory of New Hires receives in-
22 formation from employers pursuant to this section,
23 the State Directory of New Hires shall furnish the
24 information to the National Directory of New Hires.

1 “(2) WAGE AND UNEMPLOYMENT COMPENSA-
2 TION INFORMATION.—The State Directory of New
3 Hires shall, on a quarterly basis, furnish to the Na-
4 tional Directory of New Hires extracts of the reports
5 required under section 303(a)(6) to be made to the
6 Secretary of Labor concerning the wages and unem-
7 ployment compensation paid to individuals, by such
8 dates, in such format, and containing such informa-
9 tion as the Secretary of Health and Human Services
10 shall specify in regulations.

11 “(i) OTHER USES OF NEW HIRE INFORMATION.—

12 “(1) LOCATION OF CHILD SUPPORT OBLI-
13 GORS.—The agency administering the State plan ap-
14 proved under this part shall use information received
15 pursuant to subsection (f) to locate individuals for
16 purposes of establishing paternity and establishing,
17 modifying, and enforcing child support obligations.

18 “(2) VERIFICATION OF ELIGIBILITY FOR CER-
19 TAIN PROGRAMS.—A State agency responsible for
20 administering a program specified in section 1137(b)
21 shall have access to information reported by employ-
22 ers pursuant to subsection (b) of this section for
23 purposes of verifying eligibility for the program.

24 “(3) ADMINISTRATION OF EMPLOYMENT SECU-
25 RITY AND WORKERS COMPENSATION.—State agen-

1 cies operating employment security and workers'
2 compensation programs shall have access to informa-
3 tion reported by employers pursuant to subsection
4 (b) for the purposes of administering such pro-
5 grams.”.

6 **SEC. 514. AMENDMENTS CONCERNING INCOME WITHHOLD-**
7 **ING.**

8 (a) MANDATORY INCOME WITHHOLDING.—

9 (1) IN GENERAL.—Section 466(a)(1) (42
10 U.S.C. 666(a)(1)) is amended to read as follows:

11 “(1) INCOME WITHHOLDING.—

12 “(A) UNDER ORDERS ENFORCED UNDER
13 THE STATE PLAN.—Procedures described in
14 subsection (b) for the withholding from income
15 of amounts payable as support in cases subject
16 to enforcement under the State plan.

17 “(B) UNDER CERTAIN ORDERS PREDATING
18 CHANGE IN REQUIREMENT.—Procedures under
19 which the wages of a person with a support ob-
20 ligation imposed by a support order issued (or
21 modified) in the State before October 1, 1996,
22 if not otherwise subject to withholding under
23 subsection (b), shall become subject to with-
24 holding as provided in subsection (b) if arrear-

1 ages occur, without the need for a judicial or
2 administrative hearing.”.

3 (2) CONFORMING AMENDMENTS.—

4 (A) Section 466(b) (42 U.S.C. 666(b)) is
5 amended in the matter preceding paragraph
6 (1), by striking “subsection (a)(1)” and insert-
7 ing “subsection (a)(1)(A)”.

8 (B) Section 466(b)(5) (42 U.S.C.
9 666(b)(5)) is amended by striking all that fol-
10 lows “administered by” and inserting “the
11 State through the State disbursement unit es-
12 tablished pursuant to section 454B, in accord-
13 ance with the requirements of section 454B.”.

14 (C) Section 466(b)(6)(A) (42 U.S.C.
15 666(b)(6)(A)) is amended—

16 (i) in clause (i), by striking “to the
17 appropriate agency” and all that follows
18 and inserting “to the State disbursement
19 unit within 2 business days after the date
20 the amount would (but for this subsection)
21 have been paid or credited to the employee,
22 for distribution in accordance with this
23 part.”;

1 (ii) in clause (ii), by inserting “be in
2 a standard format prescribed by the Sec-
3 retary, and” after “shall”; and

4 (iii) by adding at the end the follow-
5 ing:

6 “(iii) As used in this subparagraph, the term ‘busi-
7 ness day’ means a day on which State offices are open
8 for regular business.”.

9 (D) Section 466(b)(6)(D) (42 U.S.C.
10 666(b)(6)(D)) is amended by striking “any em-
11 ployer” and all that follows and inserting the
12 following:

13 “any employer who—

14 “(i) discharges from employment, refuses
15 to employ, or takes disciplinary action against
16 any absent parent subject to wage withholding
17 required by this subsection because of the exist-
18 ence of such withholding and the obligations or
19 additional obligations which is imposes upon the
20 employer; or

21 “(ii) fails to withhold support from wages,
22 or to pay such amounts to the State disburse-
23 ment unit in accordance with this subsection.”.

24 (E) Section 466(b) (42 U.S.C. 666(b)) is
25 amended by adding at the end the following:

1 “(11) Procedures under which the agency ad-
2 ministering the State plan approved under this part
3 may execute a withholding order through electronic
4 means and without advance notice to the obligor.”.

5 (b) CONFORMING AMENDMENT.—Section 466(c) (42
6 U.S.C. 666(c)) is repealed.

7 **SEC. 515. LOCATOR INFORMATION FROM INTERSTATE NET-**
8 **WORKS.**

9 Section 466(a) (42 U.S.C. 666(a)), as amended by
10 section 501(a) of this Act, is amended by adding at the
11 end the following:

12 “(13) LOCATOR INFORMATION FROM INTER-
13 STATE NETWORKS.—Procedures to ensure that all
14 Federal and State agencies conducting activities
15 under this part have access to any system used by
16 the State to locate an individual for purposes relat-
17 ing to motor vehicles or law enforcement.”.

18 **SEC. 516. EXPANDED FEDERAL PARENT LOCATOR SERVICE.**

19 (a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS
20 AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

21 (1) in subsection (a), by striking all that follows
22 “subsection (c))” and inserting “, for the purpose of
23 establishing parentage, establishing, setting the
24 amount of, modifying, or enforcing child support ob-
25 ligations—

1 “(1) information on, or facilitating the discov-
2 ery of, the location of any individual—

3 “(A) who is under an obligation to pay
4 child support;

5 “(B) against whom such an obligation is
6 sought; or

7 “(C) to whom such an obligation is owed,
8 including the individual’s social security number (or
9 numbers), most recent address, and the name, ad-
10 dress, and employer identification number of the in-
11 dividual’s employer; and

12 “(2) information on the individual’s wages (or
13 other income) from, and benefits of, employment (in-
14 cluding rights to or enrollment in group health care
15 coverage).”; and

16 (2) in subsection (b), in the matter preceding
17 paragraph (1), by striking “social security” and all
18 that follows through “absent parent” and inserting
19 “information described in subsection (a)”.

20 (b) REIMBURSEMENT FOR INFORMATION FROM FED-
21 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.
22 653(e)(2)) is amended in the 4th sentence by inserting
23 “in an amount which the Secretary determines to be rea-
24 sonable payment for the information exchange (which
25 amount shall not include payment for the costs of obtain-

1 ing, compiling, or maintaining the information)” before
2 the period.

3 (c) REIMBURSEMENT FOR REPORTS BY STATE
4 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by
5 adding at the end the following:

6 “(g) The Secretary may reimburse Federal and State
7 agencies for the costs incurred by such entities in furnish-
8 ing information requested by the Secretary under this sec-
9 tion in an amount which the Secretary determines to be
10 reasonable payment for the information exchange (which
11 amount shall not include payment for the costs of obtain-
12 ing, compiling, or maintaining the information).”.

13 (d) TECHNICAL AMENDMENTS.—

14 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
15 and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b),
16 663(a), and 663(e)) are each amended by inserting
17 “Federal” before “Parent” each place such term ap-
18 pears.

19 (2) Section 453 (42 U.S.C. 653) is amended in
20 the heading by adding “FEDERAL” before “PAR-
21 ENT”.

22 (e) NEW COMPONENTS.—Section 453 (42 U.S.C.
23 653), as amended by subsection (c)(2) of this section, is
24 amended by adding at the end the following:

1 “(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT
2 ORDERS.—

3 “(1) IN GENERAL.—Not later than October 1,
4 1998, in order to assist States in administering pro-
5 grams under State plans approved under this part
6 and programs funded under part A, and for the
7 other purposes specified in this section, the Sec-
8 retary shall establish and maintain in the Federal
9 Parent Locator Service an automated registry
10 (which shall be known as the ‘Federal Case Registry
11 of Child Support Orders’), which shall contain ab-
12 stracts of support orders and other information de-
13 scribed in paragraph (2) with respect to each case
14 in each State case registry maintained pursuant to
15 section 454A(e), as furnished (and regularly up-
16 dated), pursuant to section 454A(f), by State agen-
17 cies administering programs under this part.

18 “(2) CASE INFORMATION.—The information re-
19 ferred to in paragraph (1) with respect to a case
20 shall be such information as the Secretary may
21 specify in regulations (including the names, social
22 security numbers or other uniform identification
23 numbers, and State case identification numbers) to
24 identify the individuals who owe or are owed support
25 (or with respect to or on behalf of whom support ob-

1 ligations are sought to be established), and the State
2 or States which have the case.

3 “(i) NATIONAL DIRECTORY OF NEW HIRES.—

4 “(1) IN GENERAL.—In order to assist States in
5 administering programs under State plans approved
6 under this part and programs funded under part A,
7 and for the other purposes specified in this section,
8 the Secretary shall, not later than October 1, 1996,
9 establish and maintain in the Federal Parent Loca-
10 tor Service an automated directory to be known as
11 the National Directory of New Hires, which shall
12 contain the information supplied pursuant to section
13 453A(h).

14 “(2) ADMINISTRATION OF FEDERAL TAX
15 LAWS.—The Secretary of the Treasury shall have
16 access to the information in the Federal Directory of
17 New Hires for purposes of administering section 32
18 of the Internal Revenue Code of 1986, or the ad-
19 vance payment of the earned income tax credit
20 under section 3507 of such Code, and verifying a
21 claim with respect to employment in a tax return.

22 “(j) INFORMATION COMPARISONS AND OTHER DIS-
23 CLOSURES.—

24 “(1) VERIFICATION BY SOCIAL SECURITY AD-
25 MINISTRATION.—

1 “(A) The Secretary shall transmit informa-
2 tion on individuals and employers maintained
3 under this section to the Social Security Admin-
4 istration to the extent necessary for verification
5 in accordance with subparagraph (B).

6 “(B) The Social Security Administration
7 shall verify the accuracy of, correct, or supply
8 to the extent possible, and report to the Sec-
9 retary, the following information supplied by
10 the Secretary pursuant to subparagraph (A):

11 “(i) The name, social security num-
12 ber, and birth date of each such individual.

13 “(ii) The employer identification num-
14 ber of each such employer.

15 “(2) INFORMATION COMPARISONS.—For the
16 purpose of locating individuals in a paternity estab-
17 lishment case or a case involving the establishment,
18 modification, or enforcement of a support order, the
19 Secretary shall—

20 “(A) compare information in the National
21 Directory of New Hires against information in
22 the support order abstracts in the Federal Case
23 Registry of Child Support Orders not less often
24 than every 2 business days; and

1 “(B) within 2 such days after such a com-
2 parison reveals a match with respect to an indi-
3 vidual, report the information to the State
4 agency responsible for the case.

5 “(3) INFORMATION COMPARISONS AND DISCLO-
6 SURES OF INFORMATION IN ALL REGISTRIES FOR
7 TITLE IV PROGRAM PURPOSES.—To the extent and
8 with the frequency that the Secretary determines to
9 be effective in assisting States to carry out their re-
10 sponsibilities under programs operated under this
11 part and programs funded under part A, the Sec-
12 retary shall—

13 “(A) compare the information in each com-
14 ponent of the Federal Parent Locator Service
15 maintained under this section against the infor-
16 mation in each other such component (other
17 than the comparison required by paragraph
18 (2)), and report instances in which such a com-
19 parison reveals a match with respect to an indi-
20 vidual to State agencies operating such pro-
21 grams; and

22 “(B) disclose information in such registries
23 to such State agencies.

24 “(4) PROVISION OF NEW HIRE INFORMATION
25 TO THE SOCIAL SECURITY ADMINISTRATION.—The

1 National Directory of New Hires shall provide the
2 Commissioner of Social Security with all information
3 in the National Directory, which shall be used to de-
4 termine the accuracy of payments under the supple-
5 mental security income program under title XVI and
6 in connection with benefits under title II.

7 “(5) RESEARCH.—The Secretary may provide
8 access to information reported by employers pursu-
9 ant to section 453A(b) for research purposes found
10 by the Secretary to be likely to contribute to achiev-
11 ing the purposes of part A or this part, but without
12 personal identifiers.

13 “(k) FEES.—

14 “(1) FOR SSA VERIFICATION.—The Secretary
15 shall reimburse the Commissioner of Social Security,
16 at a rate negotiated between the Secretary and the
17 Commissioner, for the costs incurred by the Com-
18 missioner in performing the verification services de-
19 scribed in subsection (j).

20 “(2) FOR INFORMATION FROM STATE DIREC-
21 TORIES OF NEW HIRES.—The Secretary shall reim-
22 burse costs incurred by State directories of new
23 hires in furnishing information as required by sub-
24 section (j)(3), at rates which the Secretary deter-
25 mines to be reasonable (which rates shall not include

1 payment for the costs of obtaining, compiling, or
2 maintaining such information).

3 “(3) FOR INFORMATION FURNISHED TO STATE
4 AND FEDERAL AGENCIES.—A State or Federal agen-
5 cy that receives information from the Secretary pur-
6 suant to this section shall reimburse the Secretary
7 for costs incurred by the Secretary in furnishing the
8 information, at rates which the Secretary determines
9 to be reasonable (which rates shall include payment
10 for the costs of obtaining, verifying, maintaining,
11 and comparing the information).

12 “(l) RESTRICTION ON DISCLOSURE AND USE.—In-
13 formation in the Federal Parent Locator Service, and in-
14 formation resulting from comparisons using such informa-
15 tion, shall not be used or disclosed except as expressly pro-
16 vided in this section, subject to section 6103 of the Inter-
17 nal Revenue Code of 1986.

18 “(m) INFORMATION INTEGRITY AND SECURITY.—
19 The Secretary shall establish and implement safeguards
20 with respect to the entities established under this section
21 designed to—

22 “(1) ensure the accuracy and completeness of
23 information in the Federal Parent Locator Service;
24 and

1 “(2) restrict access to confidential information
2 in the Federal Parent Locator Service to authorized
3 persons, and restrict use of such information to au-
4 thorized purposes.”.

5 (g) CONFORMING AMENDMENTS.—

6 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
7 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
8 654(8)(B)) is amended to read as follows:

9 “(B) the Federal Parent Locator Service
10 established under section 453;”.

11 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
12 Section 3304(a)(16) of the Internal Revenue Code of
13 1986 is amended—

14 (A) by striking “Secretary of Health, Edu-
15 cation, and Welfare” each place such term ap-
16 pears and inserting “Secretary of Health and
17 Human Services”;

18 (B) in subparagraph (B), by striking
19 “such information” and all that follows and in-
20 serting “information furnished under subpara-
21 graph (A) or (B) is used only for the purposes
22 authorized under such subparagraph;”;

23 (C) by striking “and” at the end of sub-
24 paragraph (A);

1 (D) by redesignating subparagraph (B) as
2 subparagraph (C); and

3 (E) by inserting after subparagraph (A)
4 the following new subparagraph:

5 “(B) wage and unemployment compensa-
6 tion information contained in the records of
7 such agency shall be furnished to the Secretary
8 of Health and Human Services (in accordance
9 with regulations promulgated by such Sec-
10 retary) as necessary for the purposes of the Na-
11 tional Directory of New Hires established under
12 section 453(i) of the Social Security Act, and”.

13 (3) TO STATE GRANT PROGRAM UNDER TITLE
14 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
15 (42 U.S.C. 503(a)) is amended—

16 (A) by striking “and” at the end of para-
17 graph (8);

18 (B) by striking the period at the end of
19 paragraph (9) and inserting “; and”; and

20 (C) by adding after paragraph (9) the fol-
21 lowing new paragraph:

22 “(10) The making of quarterly electronic re-
23 ports, at such dates, in such format, and containing
24 such information, as required by the Secretary of
25 Health and Human Services under section 453(i)(3),

1 and compliance with such provisions as such Sec-
2 retary may find necessary to ensure the correctness
3 and verification of such reports.”.

4 **SEC. 517. COLLECTION AND USE OF SOCIAL SECURITY**
5 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
6 **FORCEMENT.**

7 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
8 U.S.C. 666(a)), as amended by sections 501(a) and 515
9 of this Act, is amended by adding at the end the following:

10 “(14) RECORDING OF SOCIAL SECURITY NUM-
11 BERS IN CERTAIN FAMILY MATTERS.—Procedures
12 requiring that the social security number of—

13 “(A) any applicant for a professional li-
14 cense, commercial driver’s license, occupational
15 license, or marriage license be recorded on the
16 application; and

17 “(B) any individual who is subject to a di-
18 vorce decree, support order, or paternity deter-
19 mination or acknowledgment be placed in the
20 records relating to the matter.”.

21 (b) CONFORMING AMENDMENTS.—Section
22 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
23 section 321(a)(9) of the Social Security Independence and
24 Program Improvements Act of 1994, is amended—

1 (1) in clause (i), by striking “may require” and
2 inserting “shall require”;

3 (2) in clause (ii), by inserting after the 1st sen-
4 tence the following: “In the administration of any
5 law involving the issuance of a marriage certificate
6 or license, each State shall require each party named
7 in the certificate or license to furnish to the State
8 (or political subdivision thereof) or any State agency
9 having administrative responsibility for the law in-
10 volved, the social security number of the party.”;

11 (3) in clause (vi), by striking “may” and insert-
12 ing “shall”; and

13 (4) by adding at the end the following:

14 “(ix) An agency of a State (or a polit-
15 ical subdivision thereof) charged with the
16 administration of any law concerning the
17 issuance or renewal of a license, certificate,
18 permit, or other authorization to engage in
19 a profession, an occupation, or a commer-
20 cial activity shall require all applicants for
21 issuance or renewal of the license, certifi-
22 cate, permit, or other authorization to pro-
23 vide the applicant’s social security number
24 to the agency for the purpose of admin-
25 istering such laws, and for the purpose of

1 responding to requests for information
2 from an agency operating pursuant to part
3 D of title IV.

4 “(x) All divorce decrees, support or-
5 ders, and paternity determinations issued,
6 and all paternity acknowledgments made,
7 in each State shall include the social secu-
8 rity number of each party to the decree,
9 order, determination, or acknowledgement
10 in the records relating to the matter.”.

11 **Subtitle C—Streamlining and** 12 **Uniformity of Procedures**

13 **SEC. 521. ADOPTION OF UNIFORM STATE LAWS.**

14 Section 466 (42 U.S.C. 666) is amended by adding
15 at the end the following:

16 “(e) UNIFORM INTERSTATE FAMILY SUPPORT
17 ACT.—

18 “(1) ENACTMENT AND USE.—In order to sat-
19 isfy section 454(20)(A) on or after January 1, 1997,
20 each State must have in effect the Uniform Inter-
21 state Family Support Act, as approved by the Na-
22 tional Conference of Commissioners on Uniform
23 State Laws in August 1992 (with the modifications
24 and additions specified in this subsection), and the
25 procedures required to implement such Act.

1 “(2) EXPANDED APPLICATION.—The State law
2 enacted pursuant to paragraph (1) shall be applied
3 to any case involving an order which is established
4 or modified in a State and which is sought to be
5 modified or enforced in another State.

6 “(3) JURISDICTION TO MODIFY ORDERS.—The
7 State law enacted pursuant to paragraph (1) of this
8 subsection shall contain the following provision in
9 lieu of section 611(a)(1) of the Uniform Interstate
10 Family Support Act:

11 ““(1) the following requirements are met:

12 ““(i) the child, the individual obligee, and the
13 obligor—

14 ““(I) do not reside in the issuing State;
15 and

16 ““(II) either reside in this State or are
17 subject to the jurisdiction of this State pursu-
18 ant to section 201; and

19 ““(ii) (in any case where another State is exer-
20 cising or seeks to exercise jurisdiction to modify the
21 order) the conditions of section 204 are met to the
22 same extent as required for proceedings to establish
23 orders; or’.

24 “(4) SERVICE OF PROCESS.—The State law en-
25 acted pursuant to paragraph (1) shall provide that,

1 in any proceeding subject to the law, process may be
2 served (and proved) upon persons in the State by
3 any means acceptable in any State which is the initi-
4 ating or responding State in the proceeding.”.

5 **SEC. 522. IMPROVEMENTS TO FULL FAITH AND CREDIT**
6 **FOR CHILD SUPPORT ORDERS.**

7 Section 1738B of title 28, United States Code, is
8 amended—

9 (1) in subsection (a)(2), by striking “subsection
10 (e)” and inserting “subsections (e), (f), and (i)”;

11 (2) in subsection (b), by inserting after the 2nd
12 undesignated paragraph the following:

13 “‘child’s home State’ means the State in which
14 a child lived with a parent or a person acting as par-
15 ent for at least six consecutive months immediately
16 preceding the time of filing of a petition or com-
17 parable pleading for support and, if a child is less
18 than six months old, the State in which the child
19 lived from birth with any of them. A period of tem-
20 porary absence of any of them is counted as part of
21 the six-month period.”;

22 (3) in subsection (c), by inserting “by a court
23 of a State” before “is made”;

24 (4) in subsection (c)(1), by inserting “and sub-
25 sections (e), (f), and (g)” after “located”;

1 (5) in subsection (d)—

2 (A) by inserting “individual” before “con-
3 testant”; and

4 (B) by striking “subsection (e)” and in-
5 serting “subsections (e) and (f)”;

6 (6) in subsection (e), by striking “make a modi-
7 fication of a child support order with respect to a
8 child that is made” and inserting “modify a child
9 support order issued”;

10 (7) in subsection (e)(1), by inserting “pursuant
11 to subsection (i)” before the semicolon;

12 (8) in subsection (e)(2)—

13 (A) by inserting “individual” before “con-
14 testant” each place such term appears; and

15 (B) by striking “to that court’s making the
16 modification and assuming” and inserting “with
17 the State of continuing, exclusive jurisdiction
18 for a court of another State to modify the order
19 and assume”;

20 (9) by redesignating subsections (f) and (g) as
21 subsections (g) and (h), respectively;

22 (10) by inserting after subsection (e) the follow-
23 ing:

24 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—

25 If one or more child support orders have been issued in

1 this or another State with regard to an obligor and a child,
2 a court shall apply the following rules in determining
3 which order to recognize for purposes of continuing, exclu-
4 sive jurisdiction and enforcement:

5 “(1) If only one court has issued a child sup-
6 port order, the order of that court must be recog-
7 nized.

8 “(2) If two or more courts have issued child
9 support orders for the same obligor and child, and
10 only one of the courts would have continuing, exclu-
11 sive jurisdiction under this section, the order of that
12 court must be recognized.

13 “(3) If two or more courts have issued child
14 support orders for the same obligor and child, and
15 only one of the courts would have continuing, exclu-
16 sive jurisdiction under this section, an order issued
17 by a court in the current home State of the child
18 must be recognized, but if an order has not been is-
19 sued in the current home State of the child, the
20 order most recently issued must be recognized.

21 “(4) If two or more courts have issued child
22 support orders for the same obligor and child, and
23 none of the courts would have continuing, exclusive
24 jurisdiction under this section, a court may issue a
25 child support order, which must be recognized.

1 “(5) The court that has issued an order recog-
2 nized under this subsection is the court having con-
3 tinuing, exclusive jurisdiction.”;

4 (11) in subsection (g) (as so redesignated)—

5 (A) by striking “PRIOR” and inserting
6 “MODIFIED”; and

7 (B) by striking “subsection (e)” and in-
8 serting “subsections (e) and (f)”;

9 (12) in subsection (h) (as so redesignated)—

10 (A) in paragraph (2), by inserting “includ-
11 ing the duration of current payments and other
12 obligations of support” before the comma; and

13 (B) in paragraph (3), by inserting “arrears
14 under” after “enforce”; and

15 (13) by adding at the end the following:

16 “(i) REGISTRATION FOR MODIFICATION.—If there is
17 no individual contestant or child residing in the issuing
18 State, the party or support enforcement agency seeking
19 to modify, or to modify and enforce, a child support order
20 issued in another State shall register that order in a State
21 with jurisdiction over the nonmovant for the purpose of
22 modification.”.

1 **SEC. 523. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**
2 **CASES.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by
4 sections 501(a), 515, and 517(a) of this Act, is amended
5 by adding at the end the following:

6 “(15) ADMINISTRATIVE ENFORCEMENT IN
7 INTERSTATE CASES.—Procedures under which—

8 “(A)(i) the State shall respond within 5
9 business days to a request made by another
10 State to enforce a support order; and

11 “(ii) the term ‘business day’ means a day
12 on which State offices are open for regular
13 business;

14 “(B) the State may, by electronic or other
15 means, transmit to another State a request for
16 assistance in a case involving the enforcement
17 of a support order, which request—

18 “(i) shall include such information as
19 will enable the State to which the request
20 is transmitted to compare the information
21 about the case to the information in the
22 data bases of the State;

23 “(ii) shall constitute a certification by
24 the requesting State—

1 “(I) of the amount of support
2 under the order the payment of which
3 is in arrears; and

4 “(II) that the requesting State
5 has complied with all procedural due
6 process requirements applicable to the
7 case.

8 “(C) if the State provides assistance to an-
9 other State pursuant to this paragraph with re-
10 spect to a case, neither State shall consider the
11 case to be transferred to the caseload of such
12 other State; and

13 “(D) the State shall maintain records of—

14 “(i) the number of such requests for assistance
15 received by the State;

16 “(ii) the number of cases for which the State
17 collected support in response to such a request; and

18 “(iii) the amount of such collected support.”.

19 **SEC. 524. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

20 (a) PROMULGATION.—Section 452(a) (42 U.S.C.
21 652(a)) is amended—

22 (1) by striking “and” at the end of paragraph
23 (9);

24 (2) by striking the period at the end of para-
25 graph (10) and inserting “; and”; and

1 (3) by adding at the end the following:

2 “(11) not later than June 30, 1996, promulgate
3 forms to be used by States in interstate cases for—

4 “(A) collection of child support through in-
5 come withholding;

6 “(B) imposition of liens; and

7 “(C) administrative subpoenas.”.

8 (b) USE BY STATES.—Section 454(9) (42 U.S.C.
9 654(9)) is amended—

10 (1) by striking “and” at the end of subpara-
11 graph (C);

12 (2) by inserting “and” at the end of subpara-
13 graph (D); and

14 (3) by adding at the end the following:

15 “(E) no later than October 1, 1996, in
16 using the forms promulgated pursuant to sec-
17 tion 452(a)(11) for income withholding, imposi-
18 tion of liens, and issuance of administrative
19 subpoenas in interstate child support cases;”.

20 **SEC. 525. STATE LAWS PROVIDING EXPEDITED PROCE-**
21 **DURES.**

22 (a) STATE LAW REQUIREMENTS.—Section 466 (42
23 U.S.C. 666), as amended by section 514 of this Act, is
24 amended—

1 (1) in subsection (a)(2), by striking the 1st sen-
2 tence and inserting the following: “Expedited admin-
3 istrative and judicial procedures (including the pro-
4 cedures specified in subsection (c)) for establishing
5 paternity and for establishing, modifying, and en-
6 forcing support obligations.”; and

7 (2) by inserting after subsection (b) the follow-
8 ing:

9 “(c) EXPEDITED PROCEDURES.—The procedures
10 specified in this subsection are the following:

11 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-
12 CY.—Procedures which give the State agency the au-
13 thority to take the following actions relating to es-
14 tablishment or enforcement of support orders, with-
15 out the necessity of obtaining an order from any
16 other judicial or administrative tribunal (but subject
17 to due process safeguards, including (as appropriate)
18 requirements for notice, opportunity to contest the
19 action, and opportunity for an appeal on the record
20 to an independent administrative or judicial tribu-
21 nal), and to recognize and enforce the authority of
22 State agencies of other States) to take the following
23 actions:

1 “(A) GENETIC TESTING.—To order genetic
2 testing for the purpose of paternity establish-
3 ment as provided in section 466(a)(5).

4 “(B) DEFAULT ORDERS.—To enter a de-
5 fault order, upon a showing of service of proc-
6 ess and any additional showing required by
7 State law—

8 “(i) establishing paternity, in the case
9 of a putative father who refuses to submit
10 to genetic testing; and

11 “(ii) establishing or modifying a sup-
12 port obligation, in the case of a parent (or
13 other obligor or obligee) who fails to re-
14 spond to notice to appear at a proceeding
15 for such purpose.

16 “(C) SUBPOENAS.—To subpoena any fi-
17 nancial or other information needed to estab-
18 lish, modify, or enforce a support order, and to
19 impose penalties for failure to respond to such
20 a subpoena.

21 “(D) ACCESS TO PERSONAL AND FINAN-
22 CIAL INFORMATION.—To obtain access, subject
23 to safeguards on privacy and information secu-
24 rity, to the records of all other State and local
25 government agencies (including law enforcement

1 and corrections records), including automated
2 access to records maintained in automated data
3 bases.

4 “(E) CHANGE IN PAYEE.—In cases where
5 support is subject to an assignment in order to
6 comply with a requirement imposed pursuant to
7 part A or section 1912, or to a requirement to
8 pay through the State disbursement unit estab-
9 lished pursuant to section 454B, upon provid-
10 ing notice to obligor and obligee, to direct the
11 obligor or other payor to change the payee to
12 the appropriate government entity.

13 “(F) INCOME WITHHOLDING.—To order
14 income withholding in accordance with sub-
15 sections (a)(1) and (b) of section 466.

16 “(G) SECURING ASSETS.—In cases in
17 which there is a support arrearage, to secure
18 assets to satisfy the arrearage by—

19 “(i) intercepting or seizing periodic or
20 lump sum payments from—

21 “(I) a State or local agency (in-
22 cluding unemployment compensation,
23 workers’ compensation, and other ben-
24 efits); and

1 “(II) judgments, settlements, and
2 lotteries;

3 “(ii) attaching and seizing assets of
4 the obligor held in financial institutions;
5 and

6 “(iii) attaching public and private re-
7 tirement funds.

8 “(H) INCREASE MONTHLY PAYMENTS.—
9 For the purpose of securing overdue support, to
10 increase the amount of monthly support pay-
11 ments to include amounts for arrearages (sub-
12 ject to such conditions or limitations as the
13 State may provide).

14 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—
15 The expedited procedures required under subsection
16 (a)(2) shall include the following rules and author-
17 ity, applicable with respect to all proceedings to es-
18 tablish paternity or to establish, modify, or enforce
19 support orders:

20 “(A) LOCATOR INFORMATION; PRESUMP-
21 TIONS CONCERNING NOTICE.—Procedures
22 under which—

23 “(i) each party to any paternity or
24 child support proceeding is required (sub-
25 ject to privacy safeguards) to file with the

1 tribunal and the State case registry upon
2 entry of an order, and to update as appro-
3 priate, information on location and identity
4 of the party (including social security num-
5 ber, residential and mailing addresses, tele-
6 phone number, driver's license number,
7 and name, address, and name and tele-
8 phone number of employer); and

9 “(ii) in any subsequent child support
10 enforcement action between the parties,
11 upon sufficient showing that diligent effort
12 has been made to ascertain the location of
13 such a party, the tribunal may deem State
14 due process requirements for notice and
15 service of process to be met with respect to
16 the party, upon delivery of written notice
17 to the most recent residential or employer
18 address filed with the tribunal pursuant to
19 clause (i).

20 “(B) STATEWIDE JURISDICTION.—Proce-
21 dures under which—

22 “(i) the State agency and any admin-
23 istrative or judicial tribunal with authority
24 to hear child support and paternity cases

1 exerts statewide jurisdiction over the par-
 2 ties; and

3 “(ii) in a State in which orders are is-
 4 sued by courts or administrative tribunals,
 5 a case may be transferred between admin-
 6 istrative areas in the State without need
 7 for any additional filing by the petitioner,
 8 or service of process upon the respondent,
 9 to retain jurisdiction over the parties.”.

10 (b) EXCEPTIONS FROM STATE LAW REQUIRE-
 11 MENTS.—Section 466(d) (42 U.S.C. 666(d)) is amend-
 12 ed—

13 (1) by striking “(d) If” and inserting the fol-
 14 lowing:

15 “(d) EXEMPTIONS FROM REQUIREMENTS.—

16 “(1) IN GENERAL.—Subject to paragraph (2),
 17 if”; and

18 (2) by adding at the end the following:

19 “(2) NON-EXEMPT REQUIREMENTS.—The Sec-
 20 retary shall not grant an exemption from the re-
 21 quirements of—

22 “(A) subsection (a)(5) (concerning proce-
 23 dures for paternity establishment);

24 “(B) subsection (a)(10) (concerning modi-
 25 fication of orders);

1 “(C) section 454A (concerning recording of
2 orders in the State case registry);

3 “(D) subsection (a)(14) (concerning re-
4 cording of social security numbers);

5 “(E) subsection (a)(15) (concerning inter-
6 state enforcement); or

7 “(F) subsection (c) (concerning expedited
8 procedures), other than paragraph (1)(A) there-
9 of (concerning establishment or modification of
10 support amount).”.

11 (c) AUTOMATION OF STATE AGENCY FUNCTIONS.—
12 Section 454A, as added by section 545(a)(2) of this Act
13 and as amended by sections 511 and 512(c) of this Act,
14 is amended by adding at the end the following:

15 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
16 The automated system required by this section shall be
17 used, to the maximum extent feasible, to implement the
18 expedited administrative procedures required by section
19 466(c).”.

20 **Subtitle D—Paternity**
21 **Establishment**

22 **SEC. 531. STATE LAWS CONCERNING PATERNITY ESTAB-**
23 **LISHMENT.**

24 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
25 U.S.C. 666(a)(5)) is amended to read as follows:

1 “(5) PROCEDURES CONCERNING PATERNITY ES-
2 TABLISHMENT.—

3 “(A) ESTABLISHMENT PROCESS AVAIL-
4 ABLE FROM BIRTH UNTIL AGE 18.—

5 “(i) Procedures which permit the es-
6 tablishment of the paternity of a child at
7 any time before the child attains 18 years
8 of age.

9 “(ii) As of August 16, 1984, clause (i)
10 shall also apply to a child for whom pater-
11 nity has not been established or for whom
12 a paternity action was brought but dis-
13 missed because a statute of limitations of
14 less than 18 years was then in effect in the
15 State.

16 “(B) PROCEDURES CONCERNING GENETIC
17 TESTING.—

18 “(i) GENETIC TESTING REQUIRED IN
19 CERTAIN CONTESTED CASES.—Procedures
20 under which the State is required, in a
21 contested paternity case, to require the
22 child and all other parties (other than indi-
23 viduals found under section 454(27) to
24 have good cause for refusing to cooperate)
25 to submit to genetic tests upon the request

1 of any such party if the request is sup-
2 ported by a sworn statement by the
3 party—

4 “(I) alleging paternity, and set-
5 ting forth facts establishing a reason-
6 able possibility of the requisite sexual
7 contact between the parties; or

8 “(II) denying paternity, and set-
9 ting forth facts establishing a reason-
10 able possibility of the nonexistence of
11 sexual contact between the parties.

12 “(ii) OTHER REQUIREMENTS.—Proce-
13 dures which require the State agency, in
14 any case in which the agency orders ge-
15 netic testing—

16 “(I) to pay costs of such tests,
17 subject to recoupment (where the
18 State so elects) from the alleged fa-
19 ther if paternity is established; and

20 “(II) to obtain additional testing
21 in any case where an original test re-
22 sult is contested, upon request and
23 advance payment by the contestant.

24 “(C) VOLUNTARY PATERNITY ACKNOWL-
25 EDGMENT.—

1 “(i) SIMPLE CIVIL PROCESS.—Proce-
2 dures for a simple civil process for volun-
3 tarily acknowledging paternity under which
4 the State must provide that, before a
5 mother and a putative father can sign an
6 acknowledgment of paternity, the mother
7 and the putative father must be given no-
8 tice, orally, in writing, and in a language
9 that each can understand, of the alter-
10 natives to, the legal consequences of, and
11 the rights (including, if 1 parent is a
12 minor, any rights afforded due to minority
13 status) and responsibilities that arise from,
14 signing the acknowledgment.

15 “(ii) HOSPITAL-BASED PROGRAM.—
16 Such procedures must include a hospital-
17 based program for the voluntary acknowl-
18 edgment of paternity focusing on the pe-
19 riod immediately before or after the birth
20 of a child.

21 “(iii) PATERNITY ESTABLISHMENT
22 SERVICES.—

23 “(I) STATE-OFFERED SERV-
24 ICES.—Such procedures must require
25 the State agency responsible for main-

1 taining birth records to offer vol-
2 untary paternity establishment serv-
3 ices.

4 “(II) REGULATIONS.—

5 “(aa) SERVICES OFFERED
6 BY HOSPITALS AND BIRTH
7 RECORD AGENCIES.—The Sec-
8 retary shall prescribe regulations
9 governing voluntary paternity es-
10 tablishment services offered by
11 hospitals and birth record agen-
12 cies.

13 “(bb) SERVICES OFFERED
14 BY OTHER ENTITIES.—The Sec-
15 retary shall prescribe regulations
16 specifying the types of other enti-
17 ties that may offer voluntary pa-
18 ternity establishment services,
19 and governing the provision of
20 such services, which shall include
21 a requirement that such an entity
22 must use the same notice provi-
23 sions used by, use the same ma-
24 terials used by, provide the per-
25 sonnel providing such services

1 with the same training provided
2 by, and evaluate the provision of
3 such services in the same manner
4 as the provision of such services
5 is evaluated by, voluntary pater-
6 nity establishment programs of
7 hospitals and birth record agen-
8 cies.

9 “(iv) USE OF FEDERAL PATERNITY
10 ACKNOWLEDGMENT AFFIDAVIT.—Such
11 procedures must require the State and
12 those required to establish paternity to use
13 only the affidavit developed under section
14 452(a)(7) for the voluntary acknowledg-
15 ment of paternity, and to give full faith
16 and credit to such an affidavit signed in
17 any other State.

18 “(D) STATUS OF SIGNED PATERNITY AC-
19 KNOWLEDGMENT.—

20 “(i) LEGAL FINDING OF PATER-
21 NITY.—Procedures under which a signed
22 acknowledgment of paternity is considered
23 a legal finding of paternity, subject to the
24 right of any signatory to rescind the ac-
25 knowledgegment within 60 days.

1 “(ii) CONTEST.—Procedures under
2 which, after the 60-day period referred to
3 in clause (i), a signed acknowledgment of
4 paternity may be challenged in court only
5 on the basis of fraud, duress, or material
6 mistake of fact, with the burden of proof
7 upon the challenger, and under which the
8 legal responsibilities (including child sup-
9 port obligations) of any signatory arising
10 from the acknowledgment may not be sus-
11 pended during the challenge, except for
12 good cause shown.

13 “(iii) RESCISSION.—Procedures under
14 which, after the 60-day period referred to
15 in clause (i), a minor who has signed an
16 acknowledgment of paternity other than in
17 the presence of a parent or court-appointed
18 guardian ad litem may rescind the ac-
19 knowledgment in a judicial or administra-
20 tive proceeding, until the earlier of—

21 “(I) attaining the age of major-
22 ity; or

23 “(II) the date of the first judicial
24 or administrative proceeding brought
25 (after the signing) to establish a child

1 support obligation, visitation rights, or
2 custody rights with respect to the
3 child whose paternity is the subject of
4 the acknowledgment, and at which the
5 minor is represented by a parent or
6 guardian ad litem, or an attorney.

7 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
8 CATION PROCEEDINGS.—Procedures under
9 which judicial or administrative proceedings are
10 not required or permitted to ratify an unchal-
11 lenged acknowledgment of paternity.

12 “(F) ADMISSIBILITY OF GENETIC TESTING
13 RESULTS.—Procedures—

14 “(i) requiring the admission into evi-
15 dence, for purposes of establishing pater-
16 nity, of the results of any genetic test that
17 is—

18 “(I) of a type generally acknowl-
19 edged as reliable by accreditation bod-
20 ies designated by the Secretary; and

21 “(II) performed by a laboratory
22 approved by such an accreditation
23 body;

24 “(ii) requiring an objection to genetic
25 testing results to be made in writing not

1 later than a specified number of days be-
2 fore any hearing at which the results may
3 be introduced into evidence (or, at State
4 option, not later than a specified number
5 of days after receipt of the results); and

6 “(iii) making the test results admissi-
7 ble as evidence of paternity without the
8 need for foundation testimony or other
9 proof of authenticity or accuracy, unless
10 objection is made.

11 “(G) PRESUMPTION OF PATERNITY IN
12 CERTAIN CASES.—Procedures which create a re-
13 buttable or, at the option of the State, conclu-
14 sive presumption of paternity upon genetic test-
15 ing results indicating a threshold probability
16 that the alleged father is the father of the child.

17 “(H) DEFAULT ORDERS.—Procedures re-
18 quiring a default order to be entered in a pater-
19 nity case upon a showing of service of process
20 on the defendant and any additional showing
21 required by State law.

22 “(I) NO RIGHT TO JURY TRIAL.—Proce-
23 dures providing that the parties to an action to
24 establish paternity are not entitled to a trial by
25 jury.

1 “(J) TEMPORARY SUPPORT ORDER BASED
2 ON PROBABLE PATERNITY IN CONTESTED
3 CASES.—Procedures which require that a tem-
4 porary order be issued, upon motion by a party,
5 requiring the provision of child support pending
6 an administrative or judicial determination of
7 parentage, where there is clear and convincing
8 evidence of paternity (on the basis of genetic
9 tests or other evidence).

10 “(K) PROOF OF CERTAIN SUPPORT AND
11 PATERNITY ESTABLISHMENT COSTS.—Proce-
12 dures under which bills for pregnancy, child-
13 birth, and genetic testing are admissible as evi-
14 dence without requiring third-party foundation
15 testimony, and shall constitute prima facie evi-
16 dence of amounts incurred for such services or
17 for testing on behalf of the child.

18 “(L) STANDING OF PUTATIVE FATHERS.—
19 Procedures ensuring that the putative father
20 has a reasonable opportunity to initiate a pater-
21 nity action.

22 “(M) FILING OF ACKNOWLEDGMENTS AND
23 ADJUDICATIONS IN STATE REGISTRY OF BIRTH
24 RECORDS.—Procedures under which voluntary
25 acknowledgments and adjudications of paternity

1 by judicial or administrative processes are filed
2 with the State registry of birth records for com-
3 parison with information in the State case reg-
4 istry.”.

5 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
6 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
7 amended by inserting “, and develop an affidavit to be
8 used for the voluntary acknowledgment of paternity which
9 shall include the social security number of each parent”
10 before the semicolon.

11 (c) TECHNICAL AMENDMENT.—Section 468 (42
12 U.S.C. 668) is amended by striking “a simple civil process
13 for voluntarily acknowledging paternity and”.

14 **SEC. 532. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
15 **LISHMENT.**

16 Section 454(23) (42 U.S.C. 654(23)) is amended by
17 inserting “and will publicize the availability and encourage
18 the use of procedures for voluntary establishment of pater-
19 nity and child support by means the State deems appro-
20 priate” before the semicolon.

21 **SEC. 533. COOPERATION BY APPLICANTS FOR AND RECIPI-**
22 **ENTS OF TEMPORARY FAMILY ASSISTANCE.**

23 Section 454 (42 U.S.C. 654), as amended by sections
24 503(a) and 512(a) of this Act, is amended—

1 (1) by striking “and” at the end of paragraph
2 (25);

3 (2) by striking the period at the end of para-
4 graph (26) and inserting “; and”; and

5 (3) by inserting after paragraph (26) the fol-
6 lowing:

7 “(27) provide that the State agency responsible
8 for administering the State plan—

9 “(A) shall require each individual who has
10 applied for or is receiving assistance under the
11 State program funded under part A to cooper-
12 ate with the State in establishing the paternity
13 of, and in establishing, modifying, or enforcing
14 a support order for, any child of the individual
15 by providing the State agency with the name of,
16 and such other information as the State agency
17 may require with respect to, the father of the
18 child, subject to such good cause and other ex-
19 ceptions as the State may establish; and

20 “(B) may require the individual and the
21 child to submit to genetic tests.”.

1 **Subtitle E—Program**
2 **Administration and Funding**

3 **SEC. 541. FEDERAL MATCHING PAYMENTS.**

4 (a) INCREASED BASE MATCHING RATE.—Section
5 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
6 follows:

7 “(2) The percent specified in this paragraph for
8 any quarter is 66 percent.”.

9 (b) MAINTENANCE OF EFFORT.—Section 455 (42
10 U.S.C. 655) is amended—

11 (1) in subsection (a)(1), in the matter preced-
12 ing subparagraph (A), by striking “From” and in-
13 serting “Subject to subsection (c), from”; and

14 (2) by inserting after subsection (b) the follow-
15 ing:

16 “(c) MAINTENANCE OF EFFORT.—Notwithstanding
17 subsection (a), the total expenditures under the State plan
18 approved under this part for fiscal year 1997 and each
19 succeeding fiscal year, reduced by the percentage specified
20 in paragraph (2) for the fiscal year shall not be less than
21 such total expenditures for fiscal year 1996, reduced by
22 66 percent.”.

1 **SEC. 542. PERFORMANCE-BASED INCENTIVES AND PEN-**
2 **ALTIES.**

3 (a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-
4 ING RATE.—Section 458 (42 U.S.C. 658) is amended to
5 read as follows:

6 **“SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.**

7 **“(a) INCENTIVE ADJUSTMENTS.—**

8 **“(1) IN GENERAL.—**Beginning with fiscal year
9 1999, the Secretary shall increase the percent speci-
10 fied in section 455(a)(2) that applies to payments to
11 a State under section 455(a)(1)(A) for each quarter
12 in a fiscal year by a factor reflecting the sum of the
13 applicable incentive adjustments (if any) determined
14 in accordance with regulations under this section
15 with respect to the paternity establishment percent-
16 age of the State for the immediately preceding fiscal
17 year and with respect to overall performance of the
18 State in child support enforcement during such pre-
19 ceding fiscal year.

20 **“(2) STANDARDS.—**

21 **“(A) IN GENERAL.—**The Secretary shall
22 specify in regulations—

23 **“(i) the levels of accomplishment, and**
24 **rates of improvement as alternatives to**
25 **such levels, which a State must attain to**

1 qualify for an incentive adjustment under
2 this section; and

3 “(ii) the amounts of incentive adjust-
4 ment that shall be awarded to a State that
5 achieves specified accomplishment or im-
6 provement levels, which amounts shall be
7 graduated, ranging up to—

8 “(I) 12 percentage points, in con-
9 nection with paternity establishment;
10 and

11 “(II) 12 percentage points, in
12 connection with overall performance in
13 child support enforcement.

14 “(B) LIMITATION.—In setting performance
15 standards pursuant to subparagraph (A)(i) and
16 adjustment amounts pursuant to subparagraph
17 (A)(ii), the Secretary shall ensure that the ag-
18 gregate number of percentage point increases as
19 incentive adjustments to all States do not ex-
20 ceed such aggregate increases as assumed by
21 the Secretary in estimates of the cost of this
22 section as of June 1994, unless the aggregate
23 performance of all States exceeds the projected
24 aggregate performance of all States in such cost
25 estimates.

1 “(3) DETERMINATION OF INCENTIVE ADJUST-
2 MENT.—The Secretary shall determine the amount
3 (if any) of the incentive adjustment due each State
4 on the basis of the data submitted by the State pur-
5 suant to section 454(15)(B) concerning the levels of
6 accomplishment (and rates of improvement) with re-
7 spect to performance indicators specified by the Sec-
8 retary pursuant to this section.

9 “(4) REDUCTION OF INCENTIVE ADJUSTMENT
10 IN CERTAIN CASES.—

11 “(A) IN GENERAL.—If the Secretary finds,
12 as a result of an audit conducted under section
13 452(a)(4)(C) that the paternity establishment
14 percentage of a State does not meet the re-
15 quirement of subparagraph (B) for a fiscal year
16 and that the State has failed to take sufficient
17 corrective action, or that the data submitted by
18 the State under section 454(15)(B) is incom-
19 plete or unreliable, the Secretary shall reduce
20 the amount (if any) of the incentive adjustment
21 due the State for the fiscal year—

22 “(i) in the case of the 1st such find-
23 ing, by not less than 3 percent and not
24 more than 5 percent;

1 “(ii) in the case of the 2nd such find-
2 ing, by not less than 5 percent and not
3 more than 8 percent; or

4 “(iii) in the case of the 3rd or subse-
5 quent such finding, by not less than 10
6 percent and not more than 15 percent.

7 “(B) REQUIREMENT.—The requirement of
8 this subparagraph is that the paternity estab-
9 lishment percentage of the State for the fiscal
10 year must be not less than—

11 “(i) 90 percent;

12 “(ii) the paternity establishment per-
13 centage of the State for the immediately
14 preceding fiscal year plus 6 percentage
15 points, if the paternity establishment per-
16 centage of the State for the fiscal year is
17 not less than 50 percent and less than 90
18 percent; or

19 “(iii) the paternity establishment per-
20 centage of the State for the immediately
21 preceding fiscal year plus 10 percentage
22 points, if the paternity establishment per-
23 centage of the State for the fiscal year is
24 less than 50 percent.

1 “(5) RECYCLING OF INCENTIVE ADJUST-
2 MENT.—A State to which funds are paid by the
3 Federal Government as a result of an incentive ad-
4 justment under this section shall expend the funds
5 in the State program under this part within 2 years
6 after the date of the payment.

7 “(b) DEFINITIONS.—As used in this section:

8 “(1) PATERNITY ESTABLISHMENT PERCENT-
9 AGE.—The term ‘paternity establishment percent-
10 age’ means, with respect to a State and a fiscal
11 year—

12 “(A) the total number of children in the
13 State who were born out of wedlock, who have
14 not attained 1 year of age and for whom pater-
15 nity is established or acknowledged during the
16 fiscal year; divided by

17 “(B) the total number of children born out
18 of wedlock in the State during the fiscal year.

19 “(2) OVERALL PERFORMANCE IN CHILD SUP-
20 PORT ENFORCEMENT.—The term ‘overall perform-
21 ance in child support enforcement’ means a measure
22 or measures of the effectiveness of the State agency
23 in a fiscal year which takes into account factors in-
24 cluding—

1 “(A) the percentage of cases requiring a
2 support order in which such an order was es-
3 tablished;

4 “(B) the percentage of cases in which child
5 support is being paid;

6 “(C) the ratio of child support collected to
7 child support due; and

8 “(D) the cost-effectiveness of the State
9 program, as determined in accordance with
10 standards established by the Secretary in regu-
11 lations (after consultation with the States).”.

12 (b) CONFORMING AMENDMENTS.—Section 454(22)
13 (42 U.S.C. 654(22)) is amended—

14 (1) by striking “incentive payments” the 1st
15 place such term appears and inserting “incentive ad-
16 justments”; and

17 (2) by striking “any such incentive payments
18 made to the State for such period” and inserting
19 “any increases in Federal payments to the State re-
20 sulting from such incentive adjustments”.

21 (c) CALCULATION OF IV-D PATERNITY ESTABLISH-
22 MENT PERCENTAGE.—

23 (1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
24 amended in the matter preceding subparagraph (A)
25 by inserting “its overall performance in child sup-

1 port enforcement is satisfactory (as defined in sec-
2 tion 458(b) and regulations of the Secretary), and”
3 after “1994,”.

4 (2) Section 452(g)(2)(A) (42 U.S.C.
5 652(g)(2)(A)) is amended in the matter preceding
6 clause (i)—

7 (A) by striking “paternity establishment
8 percentage” and inserting “IV-D paternity es-
9 tablishment percentage”; and

10 (B) by striking “(or all States, as the case
11 may be)”.

12 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
13 amended—

14 (A) by striking subparagraph (A) and re-
15 designating subparagraphs (B) and (C) as sub-
16 paragraphs (A) and (B), respectively;

17 (B) in subparagraph (A) (as so redesign-
18 dated), by striking “the percentage of children
19 born out-of-wedlock in a State” and inserting
20 “the percentage of children in a State who are
21 born out of wedlock or for whom support has
22 not been established”; and

23 (C) in subparagraph (B) (as so redesign-
24 dated)—

- 1 (i) by inserting “and overall perform-
2 ance in child support enforcement” after
3 “paternity establishment percentages”; and
4 (ii) by inserting “and securing sup-
5 port” before the period.

6 (d) EFFECTIVE DATES.—

7 (1) INCENTIVE ADJUSTMENTS.—(A) The
8 amendments made by subsections (a) and (b) shall
9 become effective on October 1, 1997, except to the
10 extent provided in subparagraph (B).

11 (B) Section 458 of the Social Security Act, as
12 in effect prior to the enactment of this section, shall
13 be effective for purposes of incentive payments to
14 States for fiscal years before fiscal year 1999.

15 (2) PENALTY REDUCTIONS.—The amendments
16 made by subsection (c) shall become effective with
17 respect to calendar quarters beginning on and after
18 the date of the enactment of this Act.

19 **SEC. 543. FEDERAL AND STATE REVIEWS AND AUDITS.**

20 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
21 U.S.C. 654) is amended—

22 (1) in paragraph (14), by striking “(14)” and
23 inserting “(14)(A)”;

24 (2) by redesignating paragraph (15) as sub-
25 paragraph (B) of paragraph (14); and

1 (3) by inserting after paragraph (14) the fol-
2 lowing:

3 “(15) provide for—

4 “(A) a process for annual reviews of and
5 reports to the Secretary on the State program
6 operated under the State plan approved under
7 this part, which shall include such information
8 as may be necessary to measure State compli-
9 ance with Federal requirements for expedited
10 procedures and timely case processing, using
11 such standards and procedures as are required
12 by the Secretary, under which the State agency
13 will determine the extent to which the program
14 is operated in compliance with this part; and

15 “(B) a process of extracting from the auto-
16 mated data processing system required by para-
17 graph (16) and transmitting to the Secretary
18 data and calculations concerning the levels of
19 accomplishment (and rates of improvement)
20 with respect to applicable performance indica-
21 tors (including IV-D paternity establishment
22 percentages and overall performance in child
23 support enforcement) to the extent necessary
24 for purposes of sections 452(g) and 458.”.

1 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
2 U.S.C. 652(a)(4)) is amended to read as follows:

3 “(4)(A) review data and calculations transmit-
4 ted by State agencies pursuant to section
5 454(15)(B) on State program accomplishments with
6 respect to performance indicators for purposes of
7 subsection (g) of this section and section 458;

8 “(B) review annual reports submitted pursuant
9 to section 454(15)(A) and, as appropriate, provide
10 to the State comments, recommendations for addi-
11 tional or alternative corrective actions, and technical
12 assistance; and

13 “(C) conduct audits, in accordance with the
14 government auditing standards of the Comptroller
15 General of the United States—

16 “(i) at least once every 3 years (or more
17 frequently, in the case of a State which fails to
18 meet the requirements of this part, concerning
19 performance standards and reliability of pro-
20 gram data) to assess the completeness, reliabil-
21 ity, and security of the data, and the accuracy
22 of the reporting systems, used in calculating
23 performance indicators under subsection (g) of
24 this section and section 458;

1 “(ii) of the adequacy of financial manage-
2 ment of the State program operated under the
3 State plan approved under this part, including
4 assessments of—

5 “(I) whether Federal and other funds
6 made available to carry out the State pro-
7 gram are being appropriately expended,
8 and are properly and fully accounted for;
9 and

10 “(II) whether collections and disburse-
11 ments of support payments are carried out
12 correctly and are fully accounted for; and

13 “(iii) for such other purposes as the Sec-
14 retary may find necessary;”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall be effective with respect to calendar
17 quarters beginning 12 months or more after the date of
18 the enactment of this section.

19 **SEC. 544. REQUIRED REPORTING PROCEDURES.**

20 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
21 652(a)(5)) is amended by inserting “, and establish proce-
22 dures to be followed by States for collecting and reporting
23 information required to be provided under this part, and
24 establish uniform definitions (including those necessary to
25 enable the measurement of State compliance with the re-

1 quirements of this part relating to expedited processes and
2 timely case processing) to be applied in following such pro-
3 cedures” before the semicolon.

4 (b) STATE PLAN REQUIREMENT.—Section 454 (42
5 U.S.C. 654), as amended by sections 503(a), 512(a), and
6 533 of this Act, is amended—

7 (1) by striking “and” at the end of paragraph
8 (26);

9 (2) by striking the period at the end of para-
10 graph (27) and inserting “; and”; and

11 (3) by adding after paragraph (27) the follow-
12 ing:

13 “(28) provide that the State shall use the defi-
14 nitions established under section 452(a)(5) in col-
15 lecting and reporting information as required under
16 this part.”.

17 **SEC. 545. AUTOMATED DATA PROCESSING REQUIREMENTS.**

18 (a) REVISED REQUIREMENTS.—

19 (1) Section 454(16) (42 U.S.C. 654(16)) is
20 amended—

21 (A) by striking “, at the option of the
22 State,”;

23 (B) by inserting “and operation by the
24 State agency” after “for the establishment”;

1 (C) by inserting “meeting the requirements
2 of section 454A” after “information retrieval
3 system”;

4 (D) by striking “in the State and localities
5 thereof, so as (A)” and inserting “so as”;

6 (E) by striking “(i)”; and

7 (F) by striking “(including” and all that
8 follows and inserting a semicolon.

9 (2) Part D of title IV (42 U.S.C. 651–669) is
10 amended by inserting after section 454 the follow-
11 ing:

12 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

13 “(a) IN GENERAL.—In order for a State to meet the
14 requirements of this section, the State agency administer-
15 ing the State program under this part shall have in oper-
16 ation a single statewide automated data processing and
17 information retrieval system which has the capability to
18 perform the tasks specified in this section with the fre-
19 quency and in the manner required by or under this part.

20 “(b) PROGRAM MANAGEMENT.—The automated sys-
21 tem required by this section shall perform such functions
22 as the Secretary may specify relating to management of
23 the State program under this part, including—

1 “(1) controlling and accounting for use of Fed-
2 eral, State, and local funds in carrying out the pro-
3 gram; and

4 “(2) maintaining the data necessary to meet
5 Federal reporting requirements under this part on a
6 timely basis.

7 “(c) CALCULATION OF PERFORMANCE INDICA-
8 TORS.—In order to enable the Secretary to determine the
9 incentive and penalty adjustments required by sections
10 452(g) and 458, the State agency shall—

11 “(1) use the automated system—

12 “(A) to maintain the requisite data on
13 State performance with respect to paternity es-
14 tablishment and child support enforcement in
15 the State; and

16 “(B) to calculate the IV-D paternity es-
17 tablishment percentage and overall performance
18 in child support enforcement for the State for
19 each fiscal year; and

20 “(2) have in place systems controls to ensure
21 the completeness, and reliability of, and ready access
22 to, the data described in paragraph (1)(A), and the
23 accuracy of the calculations described in paragraph
24 (1)(B).

1 “(d) INFORMATION INTEGRITY AND SECURITY.—The
2 State agency shall have in effect safeguards on the integ-
3 rity, accuracy, and completeness of, access to, and use of
4 data in the automated system required by this section,
5 which shall include the following (in addition to such other
6 safeguards as the Secretary may specify in regulations):

7 “(1) POLICIES RESTRICTING ACCESS.—Written
8 policies concerning access to data by State agency
9 personnel, and sharing of data with other persons,
10 which—

11 “(A) permit access to and use of data only
12 to the extent necessary to carry out the State
13 program under this part; and

14 “(B) specify the data which may be used
15 for particular program purposes, and the per-
16 sonnel permitted access to such data.

17 “(2) SYSTEMS CONTROLS.—Systems controls
18 (such as passwords or blocking of fields) to ensure
19 strict adherence to the policies described in para-
20 graph (1).

21 “(3) MONITORING OF ACCESS.—Routine mon-
22 itoring of access to and use of the automated sys-
23 tem, through methods such as audit trails and feed-
24 back mechanisms, to guard against and promptly
25 identify unauthorized access or use.

1 “(4) TRAINING AND INFORMATION.—Proce-
2 dures to ensure that all personnel (including State
3 and local agency staff and contractors) who may
4 have access to or be required to use confidential pro-
5 gram data are informed of applicable requirements
6 and penalties (including those in section 6103 of the
7 Internal Revenue Code of 1986), and are adequately
8 trained in security procedures.

9 “(5) PENALTIES.—Administrative penalties (up
10 to and including dismissal from employment) for un-
11 authorized access to, or disclosure or use of, con-
12 fidential data.”.

13 (3) REGULATIONS.—The Secretary of Health
14 and Human Services shall prescribe final regulations
15 for implementation of section 454A of the Social Se-
16 curity Act not later than 2 years after the date of
17 the enactment of this Act.

18 (4) IMPLEMENTATION TIMETABLE.—Section
19 454(24) (42 U.S.C. 654(24)), as amended by sec-
20 tions 503(a)(2) and 512(a)(1) of this Act, is amend-
21 ed to read as follows:

22 “(24) provide that the State will have in effect
23 an automated data processing and information re-
24 trieval system—

1 “(A) by October 1, 1995, which meets all
2 requirements of this part which were enacted on
3 or before the date of enactment of the Family
4 Support Act of 1988; and

5 “(B) by October 1, 1999, which meets all
6 requirements of this part enacted on or before
7 the date of the enactment of the Welfare Trans-
8 formation Act of 1995, except that such dead-
9 line shall be extended by 1 day for each day (if
10 any) by which the Secretary fails to meet the
11 deadline imposed by section 545(a)(3) of such
12 Act.”.

13 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
14 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

15 (1) IN GENERAL.—Section 455(a) (42 U.S.C.
16 655(a)) is amended—

17 (A) in paragraph (1)(B)—

18 (i) by striking “90 percent” and in-
19 serting “the percent specified in paragraph
20 (3)”;

21 (ii) by striking “so much of”; and

22 (iii) by striking “which the Secretary”
23 and all that follows and inserting “, and”;
24 and

25 (B) by adding at the end the following:

1 “(3)(A) The Secretary shall pay to each State, for
2 each quarter in fiscal year 1996, 90 percent of so much
3 of the State expenditures described in paragraph (1)(B)
4 as the Secretary finds are for a system meeting the re-
5 quirements specified in section 454(16).

6 “(B)(i) The Secretary shall pay to each State, for
7 each quarter in fiscal years 1997 through 2001, the per-
8 centage specified in clause (ii) of so much of the State
9 expenditures described in paragraph (1)(B) as the Sec-
10 retary finds are for a system meeting the requirements
11 of sections 454(16) and 454A.

12 “(ii) The percentage specified in this clause is the
13 greater of—

14 “(I) 80 percent; or

15 “(II) the percentage otherwise applicable to
16 Federal payments to the State under subparagraph
17 (A) (as adjusted pursuant to section 458).”.

18 (2) TEMPORARY LIMITATION ON PAYMENTS
19 UNDER SPECIAL FEDERAL MATCHING RATE.—

20 (A) IN GENERAL.—The Secretary of
21 Health and Human Services may not pay more
22 than \$260,000,000 in the aggregate under sec-
23 tion 455(a)(3) of the Social Security Act for fis-
24 cal years 1996, 1997, 1998, 1999, and 2000.

1 (B) ALLOCATION OF LIMITATION AMONG
2 STATES.—The total amount payable to a State
3 under section 455(a)(3) of such Act for fiscal
4 years 1996, 1997, 1998, 1999, and 2000 shall
5 not exceed the limitation determined for the
6 State by the Secretary of Health and Human
7 Services in regulations.

8 (C) ALLOCATION FORMULA.—The regula-
9 tions referred to in subparagraph (B) shall pre-
10 scribe a formula for allocating the amount spec-
11 ified in subparagraph (A) among States with
12 plans approved under part D of title IV of the
13 Social Security Act, which shall take into ac-
14 count—

15 (i) the relative size of State caseloads
16 under such part; and

17 (ii) the level of automation needed to
18 meet the automated data processing re-
19 quirements of such part.

20 (c) CONFORMING AMENDMENT.—Section 123(c) of
21 the Family Support Act of 1988 (102 Stat. 2352; Public
22 Law 100–485) is repealed.

23 **SEC. 546. TECHNICAL ASSISTANCE.**

24 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,
25 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-

1 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-
2 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-
3 ing at the end the following:

4 “(j) Out of any money in the Treasury of the United
5 States not otherwise appropriated, there is hereby appro-
6 priated to the Secretary for each fiscal year an amount
7 equal to 1 percent of the total amount paid to the Federal
8 Government pursuant to section 457(a) during the imme-
9 diately preceding fiscal year (as determined on the basis
10 of the most recent reliable data available to the Secretary
11 as of the end of the 3rd calendar quarter following the
12 end of such preceding fiscal year), to cover costs incurred
13 by the Secretary for—

14 “(1) information dissemination and technical
15 assistance to States, training of State and Federal
16 staff, staffing studies, and related activities needed
17 to improve programs under this part (including tech-
18 nical assistance concerning State automated systems
19 required by this part); and

20 “(2) research, demonstration, and special
21 projects of regional or national significance relating
22 to the operation of State programs under this
23 part.”.

24 (b) OPERATION OF FEDERAL PARENT LOCATOR
25 SERVICE.—Section 453 (42 U.S.C. 653), as amended by

1 section 516 of this Act, is amended by adding at the end
2 the following:

3 “(n) Out of any money in the Treasury of the United
4 States not otherwise appropriated, there is hereby appro-
5 priated to the Secretary for each fiscal year an amount
6 equal to 2 percent of the total amount paid to the Federal
7 Government pursuant to section 457(a) during the imme-
8 diately preceding fiscal year (as determined on the basis
9 of the most recent reliable data available to the Secretary
10 as of the end of the 3rd calendar quarter following the
11 end of such preceding fiscal year), to cover costs incurred
12 by the Secretary for operation of the Federal Parent Loca-
13 tor Service under this section, to the extent such costs are
14 not recovered through user fees.”.

15 **SEC. 547. REPORTS AND DATA COLLECTION BY THE SEC-**
16 **RETARY.**

17 (a) ANNUAL REPORT TO CONGRESS.—

18 (1) Section 452(a)(10)(A) (42 U.S.C.
19 652(a)(10)(A)) is amended—

20 (A) by striking “this part;” and inserting
21 “this part, including—”; and

22 (B) by adding at the end the following:

23 “(i) the total amount of child support
24 payments collected as a result of services

1 furnished during the fiscal year to individ-
2 uals receiving services under this part;

3 “(ii) the cost to the States and to the
4 Federal Government of so furnishing the
5 services; and

6 “(iii) the number of cases involving
7 families—

8 “(I) who became ineligible for as-
9 sistance under State programs funded
10 under part A during a month in the
11 fiscal year; and

12 “(II) with respect to whom a
13 child support payment was received in
14 the month;”.

15 (2) Section 452(a)(10)(C) (42 U.S.C.
16 652(a)(10)(C)) is amended—

17 (A) in the matter preceding clause (i)—

18 (i) by striking “with the data required
19 under each clause being separately stated
20 for cases” and inserting “separately stated
21 for (1) cases”;

22 (ii) by striking “cases where the child
23 was formerly receiving” and inserting “or
24 formerly received”;

1 (iii) by inserting “or 1912” after
2 “471(a)(17)”; and

3 (iv) by inserting “(2)” before “all
4 other”;

5 (B) in each of clauses (i) and (ii), by strik-
6 ing “, and the total amount of such obliga-
7 tions”;

8 (C) in clause (iii), by striking “described
9 in” and all that follows and inserting “in which
10 support was collected during the fiscal year;”;

11 (D) by striking clause (iv);

12 (E) by redesignating clause (v) as clause
13 (vii), and inserting after clause (iii) the follow-
14 ing:

15 “(iv) the total amount of support col-
16 lected during such fiscal year and distrib-
17 uted as current support;

18 “(v) the total amount of support col-
19 lected during such fiscal year and distrib-
20 uted as arrearages;

21 “(vi) the total amount of support due
22 and unpaid for all fiscal years; and”.

23 (3) Section 452(a)(10)(G) (42 U.S.C.
24 652(a)(10)(G)) is amended by striking “on the use
25 of Federal courts and”.

1 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10))
2 is amended by striking all that follows subparagraph
3 (I).

4 (b) EFFECTIVE DATE.—The amendments made by
5 subsection (a) shall be effective with respect to fiscal year
6 1996 and succeeding fiscal years.

7 **Subtitle F—Establishment and**
8 **Modification of Support Orders**

9 **SEC. 551. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**
10 **MENT OF CHILD SUPPORT ORDERS.**

11 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-
12 ed to read as follows:

13 “(10) REVIEW AND ADJUSTMENT OF SUPPORT
14 ORDERS.—Procedures under which the State shall
15 review and adjust each support order being enforced
16 under this part. Such procedures shall provide the
17 following:

18 “(A) The State shall review and, as appro-
19 priate, adjust the support order every 3 years.

20 “(B)(i) The State may elect to review and,
21 if appropriate, adjust an order pursuant to sub-
22 paragraph (A) by—

23 “(I) reviewing and, if appropriate, ad-
24 justing the order in accordance with the
25 guidelines established pursuant to section

1 467(a) if the amount of the child support
2 award under the order differs from the
3 amount that would be awarded in accord-
4 ance with the guidelines; or

5 “(II) applying a cost-of-living adjust-
6 ment to the order in accordance with a for-
7 mula developed by the State and permit ei-
8 ther party to contest the adjustment, with-
9 in 30 days after the date of the notice of
10 the adjustment, by making a request for
11 review and, if appropriate, adjustment of
12 the order in accordance with the child sup-
13 port guidelines established pursuant to sec-
14 tion 467(a).

15 “(ii) Any adjustment under clause (i) shall
16 be made without a requirement for proof or
17 showing of a change in circumstances.

18 “(C) The State may use automated meth-
19 ods (including automated comparisons with
20 wage or State income tax data) to identify or-
21 ders eligible for review, conduct the review,
22 identify orders eligible for adjustment, apply
23 the appropriate adjustment to the orders eligi-
24 ble for adjustment under the threshold estab-
25 lished by the State.

1 “(D) The State shall, at the request of ei-
2 ther parent subject to such an order or of any
3 State child support enforcement agency, review
4 and, if appropriate, adjust the order in accord-
5 ance with the guidelines established pursuant to
6 section 467(a) based upon a substantial change
7 in the circumstances of either parent.

8 “(E) The State shall provide notice to the
9 parents subject to such an order informing
10 them of their right to request the State to re-
11 view and, if appropriate, adjust the order pur-
12 suant to subparagraph (D). The notice may be
13 included in the order.”.

14 **Subtitle G—Enforcement of** 15 **Support Orders**

16 **SEC. 561. FEDERAL INCOME TAX REFUND OFFSET.**

17 (a) CHANGED ORDER OF REFUND DISTRIBUTION
18 UNDER INTERNAL REVENUE CODE.—

19 (1) Subsection (c) of section 6402 of the Inter-
20 nal Revenue Code of 1986 is amended by striking
21 the third sentence and inserting the following new
22 sentences: “A reduction under this subsection shall
23 be after any other reduction allowed by subsection
24 (d) with respect to the Department of Health and
25 Human Services and the Department of Education

1 with respect to a student loan and before any other
2 reduction allowed by law and before such overpay-
3 ment is credited to the future liability for tax of
4 such person pursuant to subsection (b). A reduction
5 under this subsection shall be assigned to the State
6 with respect to past-due support owned to individ-
7 uals for periods such individuals were receiving as-
8 sistance under part A or B of title IV of the Social
9 Security Act only after satisfying all other past-due
10 support.”.

11 (2) Paragraph (2) of section 6402(d) of such
12 Code is amended—

13 (A) by striking “Any overpayment” and in-
14 serting “Except in the case of past-due legally
15 enforceable debts owed to the Department of
16 Health and Human Services or to the Depart-
17 ment of Education with respect to a student
18 loan, any overpayment”; and

19 (B) by striking “with respect to past-due
20 support collected pursuant to an assignment
21 under section 402(a)(26) of the Social Security
22 Act”.

23 (b) ELIMINATION OF DISPARITIES IN TREATMENT
24 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

1 (1) Section 464(a) (42 U.S.C. 664(a)) is
2 amended—

3 (A) by striking “(a)” and inserting “(a)
4 OFFSET AUTHORIZED.—”;

5 (B) in paragraph (1)—

6 (i) in the 1st sentence, by striking
7 “which has been assigned to such State
8 pursuant to section 402(a)(26) or section
9 471(a)(17)”; and

10 (ii) in the 2nd sentence, by striking
11 “in accordance with section 457(b)(4) or
12 (d)(3)” and inserting “as provided in para-
13 graph (2)”; and

14 (C) by striking paragraph (2) and insert-
15 ing the following:

16 “(2) The State agency shall distribute amounts
17 paid by the Secretary of the Treasury pursuant to
18 paragraph (1)—

19 “(A) in accordance with section 457(a), in
20 the case of past-due support assigned to a State
21 pursuant to requirements imposed pursuant to
22 section 405(a)(8); and

23 “(B) to or on behalf of the child to whom
24 the support was owed, in the case of past-due
25 support not so assigned.”; and

1 (D) in paragraph (3)—

2 (i) by striking “or (2)” each place
3 such term appears; and

4 (ii) in subparagraph (B), by striking
5 “under paragraph (2)” and inserting “on
6 account of past-due support described in
7 paragraph (2)(B)”.

8 (2) Section 464(b) (42 U.S.C. 664(b)) is
9 amended—

10 (A) by striking “(b)(1)” and inserting the
11 following:

12 “(b) REGULATIONS.—”; and

13 (B) by striking paragraph (2).

14 (3) Section 464(c) (42 U.S.C. 664(c)) is
15 amended—

16 (A) by striking “(c)(1) Except as provided
17 in paragraph (2), as” and inserting the follow-
18 ing:

19 “(c) DEFINITION.—As”; and

20 (B) by striking paragraphs (2) and (3).

21 **SEC. 562. AUTHORITY TO COLLECT SUPPORT FROM FED-**
22 **ERAL EMPLOYEES.**

23 (a) CONSOLIDATION AND STREAMLINING OF AU-
24 THORITIES.—Section 459 (42 U.S.C. 659) is amended to
25 read as follows:

1 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**
2 **WITHHOLDING, GARNISHMENT, AND SIMILAR**
3 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**
4 **SUPPORT AND ALIMONY OBLIGATIONS.**

5 “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-
6 withstanding any other provision of law (including section
7 207 of this Act and section 5301 of title 38, United States
8 Code), effective January 1, 1975, moneys (the entitlement
9 to which is based upon remuneration for employment) due
10 from, or payable by, the United States or the District of
11 Columbia (including any agency, subdivision, or instru-
12 mentality thereof) to any individual, including members
13 of the Armed Forces of the United States, shall be subject,
14 in like manner and to the same extent as if the United
15 States or the District of Columbia were a private person,
16 to withholding in accordance with State law enacted pur-
17 suant to subsections (a)(1) and (b) of section 466 and reg-
18 ulations of the Secretary under such subsections, and to
19 any other legal process brought, by a State agency admin-
20 istering a program under a State plan approved under this
21 part or by an individual obligee, to enforce the legal obliga-
22 tion of the individual to provide child support or alimony.

23 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
24 PRIVATE PERSON.—With respect to notice to withhold in-
25 come pursuant to subsection (a)(1) or (b) of section 466,
26 or any other order or process to enforce support obliga-

1 tions against an individual (if the order or process con-
2 tains or is accompanied by sufficient data to permit
3 prompt identification of the individual and the moneys in-
4 volved), each governmental entity specified in subsection
5 (a) shall be subject to the same requirements as would
6 apply if the entity were a private person, except as other-
7 wise provided in this section.

8 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
9 OR PROCESS—

10 “(1) DESIGNATION OF AGENT.—The head of
11 each agency subject to this section shall—

12 “(A) designate an agent or agents to re-
13 ceive orders and accept service of process in
14 matters relating to child support or alimony;
15 and

16 “(B) annually publish in the Federal Reg-
17 ister the designation of the agent or agents,
18 identified by title or position, mailing address,
19 and telephone number.

20 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
21 agent designated pursuant to paragraph (1) of this
22 subsection receives notice pursuant to State proce-
23 dures in effect pursuant to subsection (a)(1) or (b)
24 of section 466, or is effectively served with any
25 order, process, or interrogatory, with respect to an

1 individual's child support or alimony payment obli-
2 gations, the agent shall—

3 “(A) as soon as possible (but not later
4 than 15 days) thereafter, send written notice of
5 the notice or service (together with a copy of
6 the notice or service) to the individual at the
7 duty station or last-known home address of the
8 individual;

9 “(B) within 30 days (or such longer period
10 as may be prescribed by applicable State law)
11 after receipt of a notice pursuant to such State
12 procedures, comply with all applicable provi-
13 sions of section 466; and

14 “(C) within 30 days (or such longer period
15 as may be prescribed by applicable State law)
16 after effective service of any other such order,
17 process, or interrogatory, respond to the order,
18 process, or interrogatory.

19 “(d) PRIORITY OF CLAIMS.—If a governmental entity
20 specified in subsection (a) receives notice or is served with
21 process, as provided in this section, concerning amounts
22 owed by an individual to more than 1 person—

23 “(1) support collection under section 466(b)
24 must be given priority over any other process, as
25 provided in section 466(b)(7);

1 “(2) allocation of moneys due or payable to an
2 individual among claimants under section 466(b)
3 shall be governed by section 466(b) and the regula-
4 tions prescribed under such section; and

5 “(3) such moneys as remain after compliance
6 with subparagraphs (A) and (B) shall be available to
7 satisfy any other such processes on a first-come,
8 first-served basis, with any such process being satis-
9 fied out of such moneys as remain after the satisfac-
10 tion of all such processes which have been previously
11 served.

12 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A
13 governmental entity that is affected by legal process
14 served for the enforcement of an individual’s child support
15 or alimony payment obligations shall not be required to
16 vary its normal pay and disbursement cycle in order to
17 comply with the legal process.

18 “(f) RELIEF FROM LIABILITY.—

19 “(1) Neither the United States, nor the govern-
20 ment of the District of Columbia, nor any disbursing
21 officer shall be liable with respect to any payment
22 made from moneys due or payable from the United
23 States to any individual pursuant to legal process
24 regular on its face, if the payment is made in ac-

1 cordance with this section and the regulations issued
2 to carry out this section.

3 “(2) No Federal employee whose duties include
4 taking actions necessary to comply with the require-
5 ments of subsection (a) with regard to any individ-
6 ual shall be subject under any law to any discipli-
7 nary action or civil or criminal liability or penalty
8 for, or on account of, any disclosure of information
9 made by the employee in connection with the carry-
10 ing out of such actions.

11 “(g) REGULATIONS.—Authority to promulgate regu-
12 lations for the implementation of this section shall, insofar
13 as this section applies to moneys due from (or payable
14 by)—

15 “(1) the United States (other than the legisla-
16 tive or judicial branches of the Federal Government)
17 or the government of the District of Columbia, be
18 vested in the President (or the designee of the Presi-
19 dent);

20 “(2) the legislative branch of the Federal Gov-
21 ernment, be vested jointly in the President pro tem-
22 pore of the Senate and the Speaker of the House of
23 Representatives (or their designees); and

1 “(3) the judicial branch of the Federal Govern-
2 ment, be vested in the Chief Justice of the United
3 States (or the designee of the Chief Justice).

4 “(h) MONEYS SUBJECT TO PROCESS.—

5 “(1) IN GENERAL.—Subject to paragraph (2),
6 moneys paid or payable to an individual which are
7 considered to be based upon remuneration for em-
8 ployment, for purposes of this section—

9 “(A) consist of—

10 “(i) compensation paid or payable for
11 personal services of the individual, whether
12 the compensation is denominated as wages,
13 salary, commission, bonus, pay, allowances,
14 or otherwise (including severance pay, sick
15 pay, and incentive pay);

16 “(ii) periodic benefits (including a
17 periodic benefit as defined in section
18 228(h)(3)) or other payments—

19 “(I) under the insurance system
20 established by title II;

21 “(II) under any other system or
22 fund established by the United States
23 which provides for the payment of
24 pensions, retirement or retired pay,
25 annuities, dependents’ or survivors’

1 benefits, or similar amounts payable
2 on account of personal services per-
3 formed by the individual or any other
4 individual;

5 “(III) as compensation for death
6 under any Federal program;

7 “(IV) under any Federal pro-
8 gram established to provide ‘black
9 lung’ benefits; or

10 “(V) by the Secretary of Veter-
11 ans Affairs as pension, or as com-
12 pensation for a service-connected dis-
13 ability or death (except any compensa-
14 tion paid by the Secretary to a mem-
15 ber of the Armed Forces who is in re-
16 ceipt of retired or retainer pay if the
17 member has waived a portion of the
18 retired pay of the member in order to
19 receive the compensation); and

20 “(iii) worker’s compensation benefits
21 paid under Federal or State law; but

22 “(B) do not include any payment—

23 “(i) by way of reimbursement or oth-
24 erwise, to defray expenses incurred by the

1 individual in carrying out duties associated
2 with the employment of the individual; or

3 “(ii) as allowances for members of the
4 uniformed services payable pursuant to
5 chapter 7 of title 37, United States Code,
6 as prescribed by the Secretaries concerned
7 (defined by section 101(5) of such title) as
8 necessary for the efficient performance of
9 duty.

10 “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-
11 mining the amount of any moneys due from, or pay-
12 able by, the United States to any individual, there
13 shall be excluded amounts which—

14 “(A) are owed by the individual to the
15 United States;

16 “(B) are required by law to be, and are,
17 deducted from the remuneration or other pay-
18 ment involved, including Federal employment
19 taxes, and fines and forfeitures ordered by
20 court-martial;

21 “(C) are properly withheld for Federal,
22 State, or local income tax purposes, if the with-
23 holding of the amounts is authorized or re-
24 quired by law and if amounts withheld are not
25 greater than would be the case if the individual

1 claimed all dependents to which he was entitled
2 (the withholding of additional amounts pursu-
3 ant to section 3402(i) of the Internal Revenue
4 Code of 1986 may be permitted only when the
5 individual presents evidence of a tax obligation
6 which supports the additional withholding);

7 “(D) are deducted as health insurance pre-
8 miums;

9 “(E) are deducted as normal retirement
10 contributions (not including amounts deducted
11 for supplementary coverage); or

12 “(F) are deducted as normal life insurance
13 premiums from salary or other remuneration
14 for employment (not including amounts de-
15 ducted for supplementary coverage).

16 “(i) DEFINITIONS.—As used in this section:

17 “(1) UNITED STATES.—The term ‘United
18 States’ includes any department, agency, or instru-
19 mentality of the legislative, judicial, or executive
20 branch of the Federal Government, the United
21 States Postal Service, the Postal Rate Commission,
22 any Federal corporation created by an Act of Con-
23 gress that is wholly owned by the Federal Govern-
24 ment, and the governments of the territories and
25 possessions of the United States.

1 “(2) CHILD SUPPORT.—The term ‘child sup-
2 port’, when used in reference to the legal obligations
3 of an individual to provide such support, means peri-
4 odic payments of funds for the support and mainte-
5 nance of a child or children with respect to which
6 the individual has such an obligation, and (subject
7 to and in accordance with State law) includes pay-
8 ments to provide for health care, education, recre-
9 ation, clothing, or to meet other specific needs of
10 such a child or children, and includes attorney’s
11 fees, interest, and court costs, when and to the ex-
12 tent that the same are expressly made recoverable as
13 such pursuant to a decree, order, or judgment issued
14 in accordance with applicable State law by a court
15 of competent jurisdiction.

16 “(3) ALIMONY.—The term ‘alimony’, when used
17 in reference to the legal obligations of an individual
18 to provide the same, means periodic payments of
19 funds for the support and maintenance of the spouse
20 (or former spouse) of the individual, and (subject to
21 and in accordance with State law) includes separate
22 maintenance, alimony pendente lite, maintenance,
23 and spousal support, and includes attorney’s fees,
24 interest, and court costs when and to the extent that
25 the same are expressly made recoverable as such

1 pursuant to a decree, order, or judgment issued in
2 accordance with applicable State law by a court of
3 competent jurisdiction. Such term does not include
4 any payment or transfer of property or its value by
5 an individual to the spouse or a former spouse of the
6 individual in compliance with any community prop-
7 erty settlement, equitable distribution of property, or
8 other division of property between spouses or former
9 spouses.

10 “(4) PRIVATE PERSON.—The term ‘private per-
11 son’ means a person who does not have sovereign or
12 other special immunity or privilege which causes the
13 person not to be subject to legal process.

14 “(5) LEGAL PROCESS.—The term ‘legal proc-
15 ess’ means any writ, order, summons, or other simi-
16 lar process in the nature of garnishment—

17 “(A) which is issued by—

18 “(i) a court of competent jurisdiction
19 in any State, territory, or possession of the
20 United States;

21 “(ii) a court of competent jurisdiction
22 in any foreign country with which the
23 United States has entered into an agree-
24 ment which requires the United States to
25 honor the process; or

1 “(iii) an authorized official pursuant
2 to an order of such a court of competent
3 jurisdiction or pursuant to State or local
4 law; and

5 “(B) which is directed to, and the purpose
6 of which is to compel, a governmental entity
7 which holds moneys which are otherwise pay-
8 able to an individual to make a payment from
9 the moneys to another party in order to satisfy
10 a legal obligation of the individual to provide
11 child support or make alimony payments.”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) TO PART D OF TITLE IV.—Sections 461 and
14 462 (42 U.S.C. 661 and 662) are repealed.

15 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
16 tion 5520a of title 5, United States Code, is amend-
17 ed, in subsections (h)(2) and (i), by striking “sec-
18 tions 459, 461, and 462 of the Social Security Act
19 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
20 tion 459 of the Social Security Act (42 U.S.C.
21 659)”.

22 (c) MILITARY RETIRED AND RETAINER PAY.—

23 (1) DEFINITION OF COURT.—Section
24 1408(a)(1) of title 10, United States Code, is
25 amended—

1 (A) by striking “and” at the end of sub-
2 paragraph (B);

3 (B) by striking the period at the end of
4 subparagraph (C) and inserting “; and”; and

5 (C) by adding after subparagraph (C) the
6 following new paragraph:

7 “(D) any administrative or judicial tribu-
8 nal of a State competent to enter orders for
9 support or maintenance (including a State
10 agency administering a program under a State
11 plan approved under part D of title IV of the
12 Social Security Act), and, for purposes of this
13 subparagraph, the term ‘State’ includes the
14 District of Columbia, the Commonwealth of
15 Puerto Rico, the Virgin Islands, Guam, and
16 American Samoa.”.

17 (2) DEFINITION OF COURT ORDER.—Section
18 1408(a)(2) of such title is amended by inserting “or
19 a court order for the payment of child support not
20 included in or accompanied by such a decree or set-
21 tlement,” before “which—”.

22 (3) PUBLIC PAYEE.—Section 1408(d) of such
23 title is amended—

24 (A) in the heading, by inserting “(OR FOR
25 BENEFIT OF)” before “SPOUSE OR”; and

1 (B) in paragraph (1), in the first sentence,
2 by inserting “(or for the benefit of such spouse
3 or former spouse to a State disbursement unit
4 established pursuant to section 454B of the So-
5 cial Security Act or other public payee des-
6 ignated by a State, in accordance with part D
7 of title IV of the Social Security Act, as di-
8 rected by court order, or as otherwise directed
9 in accordance with such part D)” before “in an
10 amount sufficient”.

11 (4) RELATIONSHIP TO PART D OF TITLE IV.—
12 Section 1408 of such title is amended by adding at
13 the end the following:

14 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
15 involving an order providing for payment of child support
16 (as defined in section 459(i)(2) of the Social Security Act)
17 by a member who has never been married to the other
18 parent of the child, the provisions of this section shall not
19 apply, and the case shall be subject to the provisions of
20 section 459 of such Act.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall become effective 6 months after the date
23 of the enactment of this Act.

1 **SEC. 563. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
2 **TIONS OF MEMBERS OF THE ARMED FORCES.**

3 (a) AVAILABILITY OF LOCATOR INFORMATION.—

4 (1) MAINTENANCE OF ADDRESS INFORMA-
5 TION.—The Secretary of Defense shall establish a
6 centralized personnel locator service that includes
7 the address of each member of the Armed Forces
8 under the jurisdiction of the Secretary. Upon re-
9 quest of the Secretary of Transportation, addresses
10 for members of the Coast Guard shall be included in
11 the centralized personnel locator service.

12 (2) TYPE OF ADDRESS.—

13 (A) RESIDENTIAL ADDRESS.—Except as
14 provided in subparagraph (B), the address for
15 a member of the Armed Forces shown in the lo-
16 cator service shall be the residential address of
17 that member.

18 (B) DUTY ADDRESS.—The address for a
19 member of the Armed Forces shown in the loca-
20 tor service shall be the duty address of that
21 member in the case of a member—

22 (i) who is permanently assigned over-
23 seas, to a vessel, or to a routinely
24 deployable unit; or

25 (ii) with respect to whom the Sec-
26 retary concerned makes a determination

1 that the member's residential address
2 should not be disclosed due to national se-
3 curity or safety concerns.

4 (3) UPDATING OF LOCATOR INFORMATION.—
5 Within 30 days after a member listed in the locator
6 service establishes a new residential address (or a
7 new duty address, in the case of a member covered
8 by paragraph (2)(B)), the Secretary concerned shall
9 update the locator service to indicate the new ad-
10 dress of the member.

11 (4) AVAILABILITY OF INFORMATION.—The Sec-
12 retary of Defense shall make information regarding
13 the address of a member of the Armed Forces listed
14 in the locator service available, on request, to the
15 Federal Parent Locator Service established under
16 section 453 of the Social Security Act.

17 (b) FACILITATING GRANTING OF LEAVE FOR AT-
18 TENDANCE AT HEARINGS.—

19 (1) REGULATIONS.—The Secretary of each
20 military department, and the Secretary of Transpor-
21 tation with respect to the Coast Guard when it is
22 not operating as a service in the Navy, shall pre-
23 scribe regulations to facilitate the granting of leave
24 to a member of the Armed Forces under the juris-
25 diction of that Secretary in a case in which—

1 (A) the leave is needed for the member to
2 attend a hearing described in paragraph (2);

3 (B) the member is not serving in or with
4 a unit deployed in a contingency operation (as
5 defined in section 101 of title 10, United States
6 Code); and

7 (C) the exigencies of military service (as
8 determined by the Secretary concerned) do not
9 otherwise require that such leave not be
10 granted.

11 (2) COVERED HEARINGS.—Paragraph (1) ap-
12 plies to a hearing that is conducted by a court or
13 pursuant to an administrative process established
14 under State law, in connection with a civil action—

15 (A) to determine whether a member of the
16 Armed Forces is a natural parent of a child; or

17 (B) to determine an obligation of a mem-
18 ber of the Armed Forces to provide child sup-
19 port.

20 (3) DEFINITIONS.—For purposes of this sub-
21 section:

22 (A) The term “court” has the meaning
23 given that term in section 1408(a) of title 10,
24 United States Code.

1 (B) The term “child support” has the
2 meaning given such term in section 459(i) of
3 the Social Security Act (42 U.S.C. 659(i)).

4 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
5 PLIANCE WITH CHILD SUPPORT ORDERS.—

6 (1) DATE OF CERTIFICATION OF COURT
7 ORDER.—Section 1408 of title 10, United States
8 Code, is amended—

9 (A) by redesignating subsection (i) as sub-
10 section (j); and

11 (B) by inserting after subsection (h) the
12 following:

13 “(i) CERTIFICATION DATE.—It is not necessary that
14 the date of a certification of the authenticity or complete-
15 ness of a copy of a court order or an order of an adminis-
16 trative process established under State law for child sup-
17 port received by the Secretary concerned for the purposes
18 of this section be recent in relation to the date of receipt
19 by the Secretary.”.

20 (2) PAYMENTS CONSISTENT WITH ASSIGN-
21 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
22 of such title is amended by inserting after the 1st
23 sentence the following: “In the case of a spouse or
24 former spouse who, pursuant to section 405(a)(8) of
25 the Social Security Act (42 U.S.C. 605(a)(8)), as-

1 signs to a State the rights of the spouse or former
2 spouse to receive support, the Secretary concerned
3 may make the child support payments referred to in
4 the preceding sentence to that State in amounts con-
5 sistent with that assignment of rights.”.

6 (3) ARREARAGES OWED BY MEMBERS OF THE
7 UNIFORMED SERVICES.—Section 1408(d) of such
8 title is amended by adding at the end the following:
9 “(6) In the case of a court order or an order of an
10 administrative process established under State law for
11 which effective service is made on the Secretary concerned
12 on or after the date of the enactment of this paragraph
13 and which provides for payments from the disposable re-
14 tired pay of a member to satisfy the amount of child sup-
15 port set forth in the order, the authority provided in para-
16 graph (1) to make payments from the disposable retired
17 pay of a member to satisfy the amount of child support
18 set forth in a court order or an order of an administrative
19 process established under State law shall apply to payment
20 of any amount of child support arrearages set forth in that
21 order as well as to amounts of child support that currently
22 become due.”.

23 (4) PAYROLL DEDUCTIONS.—The Secretary of
24 Defense shall begin payroll deductions within 30
25 days after receiving notice of withholding, or for the

1 first pay period that begins after such 30-day pe-
2 riod.

3 **SEC. 564. VOIDING OF FRAUDULENT TRANSFERS.**

4 Section 466 (42 U.S.C. 666), as amended by section
5 521 of this Act, is amended by adding at the end the fol-
6 lowing:

7 “(f) LAWS VOIDING FRAUDULENT TRANSFERS.—In
8 order to satisfy section 454(20)(A), each State must have
9 in effect—

10 “(1)(A) the Uniform Fraudulent Conveyance
11 Act of 1981;

12 “(B) the Uniform Fraudulent Transfer Act of
13 1984; or

14 “(C) another law, specifying indicia of fraud
15 which create a prima facie case that a debtor trans-
16 ferred income or property to avoid payment to a
17 child support creditor, which the Secretary finds af-
18 fords comparable rights to child support creditors;
19 and

20 “(2) procedures under which, in any case in
21 which the State knows of a transfer by a child sup-
22 port debtor with respect to which such a prima facie
23 case is established, the State must—

24 “(A) seek to void such transfer; or

1 “(B) obtain a settlement in the best inter-
2 ests of the child support creditor.”.

3 **SEC. 565. SENSE OF THE CONGRESS THAT STATES SHOULD**
4 **SUSPEND DRIVERS’, BUSINESS, AND OCCUPA-**
5 **TIONAL LICENSES OF PERSONS OWING PAST-**
6 **DUE CHILD SUPPORT.**

7 It is the sense of the Congress that each State should
8 suspend any driver’s license, business license, or occupa-
9 tional license issued to any person who owes past-due child
10 support.

11 **SEC. 566. WORK REQUIREMENT FOR PERSONS OWING**
12 **PAST-DUE CHILD SUPPORT.**

13 Section 466(a) of the Social Security Act (42 U.S.C.
14 666(a)), as amended by sections 501(a), 515, 517(a), and
15 523 of this Act, is amended by adding at the end the fol-
16 lowing:

17 “(16) PROCEDURES TO ENSURE THAT PERSONS
18 OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN
19 FOR PAYMENT OF SUCH SUPPORT.—

20 “(A) Procedures requiring the State, in
21 any case in which an individual owes past-due
22 support with respect to a child receiving assist-
23 ance under a State program funded under part
24 A, to seek a court order that requires the indi-
25 vidual to—

1 “(i) pay such support in accordance
2 with a plan approved by the court; or

3 “(ii) if the individual is subject to
4 such a plan and is not incapacitated, par-
5 ticipate in such work activities (as defined
6 in section 404(b)(1)) as the court deems
7 appropriate.

8 “(B) As used in subparagraph (A), the
9 term ‘past-due support’ means the amount of a
10 delinquency, determined under a court order, or
11 an order of an administrative process estab-
12 lished under State law, for support and mainte-
13 nance of a child, or of a child and the parent
14 with whom the child is living.”.

15 **SEC. 567. DEFINITION OF SUPPORT ORDER.**

16 Section 453 (42 U.S.C. 653) as amended by sections
17 516 and 546(b) of this Act, is amended by adding at the
18 end the following:

19 “(o) SUPPORT ORDER DEFINED.—As used in this
20 part, the term “support order” means an order issued by
21 a court or an administrative process established under
22 State law that requires support and maintenance of a child
23 or of a child and the parent with whom the child is liv-
24 ing.”.

Subtitle H—Medical Support

SEC. 571. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking “issued by a court of competent jurisdiction”;

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

“if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued by an administrative adjudicator and has the force and effect of law under applicable State law.”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the

1 first plan year beginning on or after January 1,
2 1996, if—

3 (A) during the period after the date before
4 the date of the enactment of this Act and be-
5 fore such first plan year, the plan is operated
6 in accordance with the requirements of the
7 amendments made by this section, and

8 (B) such plan amendment applies retro-
9 actively to the period after the date before the
10 date of the enactment of this Act and before
11 such first plan year.

12 A plan shall not be treated as failing to be operated
13 in accordance with the provisions of the plan merely
14 because it operates in accordance with this para-
15 graph.

16 **Subtitle I—Enhancing Responsibil-**
17 **ity and Opportunity for**
18 **Nonresidential Parents**

19 **SEC. 581. GRANTS TO STATES FOR ACCESS AND VISITATION**
20 **PROGRAMS.**

21 (a) IN GENERAL.—Part D of title IV (42 U.S.C.
22 651–669) is amended by adding at the end the following:

1 **“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-**
2 **TION PROGRAMS.**

3 (a) IN GENERAL.—The Administration for Children
4 and Families shall make grants under this section to en-
5 able States to establish and administer programs to sup-
6 port and facilitate absent parents’ access to and visitation
7 of their children, by means of activities including medi-
8 ation (both voluntary and mandatory), counseling, edu-
9 cation, development of parenting plans, visitation enforce-
10 ment (including monitoring, supervision and neutral drop-
11 off and pickup), and development of guidelines for visita-
12 tion and alternative custody arrangements.

13 “(b) AMOUNT OF GRANT.—The amount of the grant
14 to be made to a State under this section for a fiscal year
15 shall be an amount equal to the lesser of—

16 “(1) 90 percent of State expenditures during
17 the fiscal year for activities described in subsection
18 (a); or

19 “(2) the allotment of the State under sub-
20 section (c) for the fiscal year.

21 “(c) ALLOTMENTS TO STATES.—

22 “(1) IN GENERAL.—The allotment of a State
23 for a fiscal year is the amount that bears the same
24 ratio to the amount appropriated pursuant to sub-
25 section (f) for the fiscal year as the number of chil-
26 dren in the State living with only 1 biological parent

1 bears to the total number of such children in all
2 States.

3 “(2) MINIMUM ALLOTMENT.—The Administra-
4 tion for Children and Families shall adjust allot-
5 ments to States under paragraph (1) as necessary to
6 ensure that no State is allotted less than—

7 “(A) \$50,000 for fiscal year 1996 or 1997;

8 or

9 “(B) \$100,000 for any succeeding fiscal
10 year.

11 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
12 FOR SIMILAR ACTIVITIES.—A State to which a grant is
13 made under this section may not use the grant to supplant
14 expenditures by the State for activities specified in sub-
15 section (a), but shall use the grant to supplement such
16 expenditures at a level at least equal to the level of such
17 expenditures for fiscal year 1995.

18 “(e) STATE ADMINISTRATION.— Each State to which
19 a grant is made under this section—

20 “(1) may administer State programs funded
21 with the grant, directly or through grants to or con-
22 tracts with courts, local public agencies, or non-prof-
23 it private entities;

24 “(2) shall not be required to operate such pro-
25 grams on a statewide basis; and

1 “(3) shall monitor, evaluate, and report on such
2 programs in accordance with regulations prescribed
3 by the Secretary.”.

4 **Subtitle J—Effect of Enactment**

5 **SEC. 591. EFFECTIVE DATES.**

6 (a) IN GENERAL.—Except as otherwise specifically
7 provided (but subject to subsections (b) and (c))—

8 (1) provisions of this title requiring enactment
9 or amendment of State laws under section 466 of
10 the Social Security Act, or revision of State plans
11 under section 454 of such Act, shall be effective with
12 respect to periods beginning on and after October 1,
13 1996; and

14 (2) all other provisions of this title shall become
15 effective upon enactment.

16 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
17 provisions of this title shall become effective with respect
18 to a State on the later of—

19 (1) the date specified in this title, or

20 (2) the effective date of laws enacted by the leg-
21 islature of such State implementing such provisions,
22 but in no event later than the first day of the first cal-
23 endar quarter beginning after the close of the first regular
24 session of the State legislature that begins after the date
25 of enactment of this Act. For purposes of the previous

1 sentence, in the case of a State that has a 2-year legisla-
 2 tive session, each year of such session shall be deemed to
 3 be a separate regular session of the State legislature.

4 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
 5 AMENDMENT.—A State shall not be found out of compli-
 6 ance with any requirement enacted by this title if the State
 7 is unable to so comply without amending the State con-
 8 stitution until the earlier of—

9 (1) 1 year after the effective date of the nec-
 10 essary State constitutional amendment; or

11 (2) 5 years after the date of the enactment of
 12 this title.



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